



COUNCIL CHAMBERS

17555 PEAK AVENUE MORGAN HILL CALIFORNIA 95037

COUNCIL MEMBERS	REDEVELOPMENT AGENCY
Dennis Kennedy, Mayor	Dennis Kennedy, Chair
Mark Grzan, Mayor Pro Tempore	Mark Grzan, Vice-Chair
Larry Carr, Council Member	Larry Carr, Agency Member
Greg Sellers, Council Member	Greg Sellers, Agency Member
Steve Tate, Council Member	Steve Tate, Agency Member

WEDNESDAY, JUNE 7, 2006

AGENDA

JOINT MEETING

CITY COUNCIL REGULAR MEETING

and

REDEVELOPMENT AGENCY REGULAR MEETING

7:00 P.M.

CALL TO ORDER

(Mayor Pro Tempore/Vice-Chair Grzan)

ROLL CALL ATTENDANCE

(City Clerk/Agency Secretary Torrez)

DECLARATION OF POSTING OF AGENDA

Per Government Code 54954.2

(City Clerk/Agency Secretary Torrez)

7:00 P.M.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

PROCLAMATIONS

RECOGNITIONS

Retiring Board and Commission Members

Jeff Bernardini - Parks & Recreation Commissioner
Charles Cameron - Library, Culture & Arts Commissioner
Mark Hubbell - Bicycle & Trails Committee Member
Yarmila Kennett - Architectural Review Board Member
Mayor Pro Tempore Grzan

City Beautification Day Volunteers

Project Manager Eulo

PRESENTATIONS

Housing Trust Fund
Taylor Dile, Executive Director of Housing Trust Fund

CITY COUNCIL REPORT

Council Member Carr

CITY COUNCIL COMMITTEE REPORTS

CITY MANAGER'S REPORT

CITY ATTORNEY'S REPORT

OTHER REPORTS

PUBLIC COMMENT

NOW IS THE TIME FOR COMMENTS FROM THE PUBLIC REGARDING ITEMS NOT ON THIS AGENDA.

(See notice attached to the end of this agenda.)

**PUBLIC COMMENTS ON ITEMS APPEARING ON THIS AGENDA WILL BE TAKEN AT THE TIME
THE ITEM IS ADDRESSED BY THE COUNCIL. PLEASE COMPLETE A SPEAKER CARD AND
PRESENT IT TO THE CITY CLERK.**

(See notice attached to the end of this agenda.)

**PLEASE SUBMIT WRITTEN CORRESPONDENCE TO THE CITY CLERK/AGENCY SECRETARY. THE
CITY CLERK/AGENCY SECRETARY WILL FORWARD CORRESPONDENCE TO THE CITY
COUNCIL/REDEVELOPMENT AGENCY.**

City Council and Redevelopment Agency Action

ADOPTION OF AGENDA

City Council Action

CONSENT CALENDAR:

ITEMS 1-20

The Consent Calendar may be acted upon with one motion, a second and the vote, by each respective Agency. The Consent Calendar items are of a routine or generally uncontested nature and may be acted upon with one motion. Pursuant to Section 5.1 of the City Council Rules of Conduct, any member of the Council or public may request to have an item pulled from the Consent Calendar to be acted upon individually.

Time Estimate

Page

Consent Calendar: 1 - 10 Minutes

1. [REQUEST FOR CITY COUNCIL SPONSORSHIP OF THE "MAYORS" FOURTH OF JULY RECEPTION](#)9
Recommended Action(s): **Agree** to Sponsor the "Mayors" Fourth of July Reception.
2. [CONTRACT FOR WORKER'S COMPENSATION THIRD PARTY ADMINISTRATOR \(TPA\)](#)10
Recommended Action(s): **Authorize** the City Manager to Execute a Consultant Services Agreement for Third Party Administration of Worker's Compensation at a Cost Not to Exceed \$50,000 over the Term of the Agreement; Subject to Review and Approval by the City Attorney.
3. [STATUS OF FISCAL YEAR 2004-2005 AND 2005-2006 GENERAL PLAN IMPLEMENTATION](#)21
Recommended Action(s): **Accept** and **File** the General Plan Implementation Report with the State Office of Planning and Research (OPR) and State Department of Housing and Community Development (HCD).
4. [RESIDENTIAL DEVELOPMENT CONTROL SYSTEM \(RDSCS\) 2006 QUARTERLY REPORT #1](#) 47
Recommended Action(s): **Accept** and **File** the RDSCS First Quarter Report for 2006.
5. [AGREEMENT BETWEEN THE CITY AND INDEPENDENCE DAY, INC. TO CO-SPONSOR THE JULY FOURTH CELEBRATIONS](#) 56
Recommended Action(s): Upon Receipt of a Signed Agreement from Independence Day Inc. (IDI), **Authorize** the City Manager to Sign the Co-Sponsorship Agreement on Behalf of the City; Subject to Review and Approval by the City Attorney.
6. [AWARD OF COYOTE CREEK TRAIL CONNECTION PROJECT](#)57
Recommended Action(s):
 1. **Award** Contract to Riley's Striping, Inc. for the Construction of the Coyote Creek Trail Connection Project in the Amount of \$31,643; Subject to Review and Approval by the City Attorney; and
 2. **Authorize** Expenditure of Construction Contingency Funds, Not to Exceed \$3,164.
7. [APPROVAL OF SUBDIVISION IMPROVEMENT AGREEMENT WITH TBI MADRONE VILLAGE, LLC – APN: 726-33-028](#)58
Recommended Action(s):
 1. **Approve** the Subdivision Improvement Agreement, and
 2. **Authorize** the City Manager to Sign the Agreement on Behalf of the City with TBI Madrone Village, LLC (APN: 726-33-028); Subject to Review and Approval by the City Attorney.
8. [COUNTYWIDE AB939 IMPLEMENTATION FEE AGREEMENT](#)59
Recommended Action(s): **Authorize** the City Manager to Execute the Agreement with the County, Subject to Review and Approval by the City Attorney.

	Time Estimate	Page
	Consent Calendar: 1 - 10 Minutes	
9.	<u>HOUSEHOLD HAZARDOUS WASTE SERVICES AGREEMENT AMENDMENT</u>60 <u>Recommended Action(s):</u> <u>Authorize</u> the City Manager to Execute the Amendment to the Agency Agreement with the County, Subject to Review and Approval by the City Attorney.	
10.	<u>HOUSEHOLD HAZARDOUS WASTE SERVICES AGREEMENT</u>62 <u>Recommended Action(s):</u> <u>Authorize</u> the City Manager to Execute the Agreement with the County, Subject to Inclusion of Funding in the Adopted Fiscal Year 2006-2007 City Budget; and Subject to Review and Approval by the City Attorney.	
11.	<u>APPROVAL OF PURCHASE ORDER TO U.S. FILTER FOR PERCHLORATE REMOVAL SYSTEMS OPERATION AT NORDSTROM AND TENNANT WELLS</u>63 <u>Recommended Action(s):</u> <u>Authorize</u> Issuance of a Purchase Order to U.S. Filter in the Amount of \$325,000.	
12.	<u>REJECTION OF BID FOR FISCAL YEAR 2006-2007 GROUNDS AND LANDSCAPE MAINTENANCE SERVICES</u>64. <u>Recommended Action(s):</u> 1. <u>Reject</u> Bid Received on May 25, 2006 for City-Wide Grounds Landscape Maintenance Services; and 2. <u>Authorize</u> Staff to Re-Bid.	
13.	<u>AUTHORIZE PARKS AND RECREATION COMMISSION TO APPOINT STEERING COMMITTEE MEMBERS FOR TRAILS MASTER PLAN</u>65 <u>Recommended Action(s):</u> <u>Authorize</u> the Parks and Recreation Commission (PRC) to Appoint Steering Committee Members to Aide in the Development of the Trails Master Plan.	
14.	<u>AWARD CONTRACT FOR NEW LIBRARY GLASS AND GLAZING PACKAGE #11 REBID</u>66 <u>Recommended Action(s):</u> 1. <u>Reject</u> Non-Responsive Apparent Low Bid from Coast Counties Glass as Recommended by the City Attorney; and 2. <u>Award</u> Contract to Valhalla Builders and Developers, Inc. in the Amount of \$889,500.	
15.	<u>ACCEPTANCE OF SISTER CITY DISPLAY CASE FOR SISTER CITY MEMORABILIA</u>67 <u>Recommended Action(s):</u> 1. <u>Accept</u> the Sister City Committee Display Case Located in the Entrance Hallway Next to the El Toro Room at the Community and Cultural Center; 2. <u>Accept</u> Donation from Anritsu of the Display Case on Behalf of the Sister City Committee; and 3. <u>Accept</u> the On-Going Sister Cities Memorabilia Display, Pending City Attorney Approval.	
16.	<u>MAYOR AND COUNCIL MEMBER COMPENSATION</u>68 <u>Recommended Action(s):</u> <u>Introduce</u> Ordinance Adjusting Salaries of the Mayor and Council Members.	
17.	<u>AMENDMENT TO AGREEMENT WITH NAFFA INTERNATIONAL</u>71 <u>Recommended Action(s):</u> <u>Authorize</u> the City Manager to Execute an Amendment to Agreement with NAAFA International for Plan Review Services.	
18.	<u>PURCHASE OF POLICE DETECTIVE VEHICLE</u>72 <u>Recommended Action(s):</u> 1. <u>Determine</u> that the “Competitive Bids Upon Notice for a New Vehicle would not be Likely to Result in a Lower price to the City from a Responsible Bidder, or would Cause Unnecessary Expense or Delay under the Circumstances”; and 2. <u>Authorize</u> Vehicle Purchase from The Ford Store of Morgan Hill for the Vehicle Identified in Staff Report for a Total Cost of \$24,385.50.	

	Time Estimate	Page
	Consent Calendar: 1 - 10 Minutes	
19.	<u>APPROVE SPECIAL CITY COUNCIL MEETING MINUTES OF MAY 19, 2006</u>	74
20.	<u>APPROVE JOINT SPECIAL CITY COUNCIL, SPECIAL PLANNING COMMISSION, SPECIAL PARKS & RECREATION COMMISSION, SPECIAL SENIOR ADVISORY COMMISSION, AND SPECIAL YOUTH ADVISORY COMMISSION MEETING MINUTES OF MAY 23, 2006</u>	77

Redevelopment Agency Action

CONSENT CALENDAR:

ITEM 21

	Time Estimate	Page
	Consent Calendar: 1 - 10 Minutes	
21.	<u>LOAN TO COMMUNITY SOLUTIONS FOR THE REHABILITATION OF THE LA CASA DEL PUENTE TRANSITIONAL SHELTER FOR THE MENTALLY DISABLED</u>	79
	<u>Recommended Action(s):</u>	
	1. <u>Approve</u> a Loan of up to \$50,000 under the Agency's Housing Rehabilitation Loan Program to Community Solutions; and	
	2. <u>Authorize</u> the Executive Director to do Everything Necessary to Prepare and Execute the Loan Documents.	

City Council and Redevelopment Agency Action

CONSENT CALENDAR:

ITEM 22

	Time Estimate	Page
	Consent Calendar: 1 - 10 Minutes	
22.	<u>APPROVE REGULAR CITY COUNCIL AND REGULAR REDEVELOPMENT AGENCY MEETING MINUTES OF MAY 24, 2006</u>	80

City Council Action

PUBLIC HEARINGS:

	Time Estimate	Page
23.	5 Minutes	
	<u>2006 HAZARDOUS BRUSH PROGRAM COMMENCEMENT REPORT AND PUBLIC HEARING</u>	112.
	Public Hearing Opened.	
	Please Limit Your Remarks to 3 Minutes. Public Hearing Closed	
	Council Discussion.	
	Action- <u>Accept</u> the 2006 Hazardous Brush Program Commencement Report.	

PUBLIC HEARINGS:

	Time Estimate		Page
24.	30 Minutes	<u>PUBLIC HEARING OF PROPOSED FISCAL YEAR 2006-2007 OPERATING AND CAPITAL IMPROVEMENT PROGRAM (CIP) BUDGET</u>	114
		Public Hearing Opened.	
		Please Limit Your Remarks to 3 Minutes. Public Hearing Closed	
		Council Discussion.	
		Action- <u>Approve</u> Specified Increases to Fiscal Year 2005-2006 Budget.	
		Action- <u>Schedule</u> Adoption of Fiscal Year 2006-2007 Operating and Capital Improvement Program Budget for June 21, 2006.	

City Council Action

OTHER BUSINESS:

	Time Estimate		Page
25.	15 Minutes	<u>COMMUNITY CONVERSATIONS AND CITY COMMUNICATIONS</u>	116
		<u>Recommended Action(s):</u>	
		1. <u>Consider</u> Proposed Guidelines for Continuing the Community Conversations and Provide Feedback to Staff;	
		2. <u>If Appropriate, Direct</u> Staff to Continue the Community Conversations as Part of the 2006-2007 Workplan;	
		3. <u>Direct</u> Staff to Increase the Proposed Budget for Fiscal Year 2006-2007 by \$50,000 to Support this effort; and	
		4. <u>Direct</u> Staff to Increase the Proposed Budget for Fiscal Year 2006-2007 by \$20,000 to Publish the City Connection Newsletter Six Times in Fiscal Year 2006-2007.	
26.	10 Minutes	<u>2006-2007 CITY WORKPLAN</u>	123.
		<u>Recommended Action(s): Review and Accept</u> the Proposed 2006-2007 Workplan for City Departments, Council-Appointed Boards, Commissions, and Committees; and Council Policy Committees.	
27.	5 Minutes	<u>ESTABLISH SISTER CITY RELATIONSHIP WITH MIZUHO, JAPAN</u>	153
		<u>Recommended Action(s): Adopt</u> Resolution Establishing a Formal Sister City Relationship with the City of Mizuho, Japan.	
28.	5 Minutes	<u>THIRD STREET PROMENADE</u>	155
		<u>Recommended Action(s):</u>	
		1. <u>Approve</u> the Conceptual Design for the Third Street Promenade (Promenade); and	
		2. <u>Authorize</u> Staff to Submit a Grant Application for up to \$1,900,000 in Metropolitan Transportation Commission (MTC) "Transportation for Liveable Communities 2006 Capital Program" (TLC) Grants with a "Local Match" of up to \$325,000.	

City Council and Redevelopment Agency Action

OTHER BUSINESS:

	Time Estimate		Page
29.	20 Minutes	<u>PROPERTY BASED IMPROVEMENT DISTRICT (PBID)</u> (Continued from May 24, 2006).....	156
		<u>Recommended Action(s):</u>	
		1. <u>Consider</u> a Petition from the Morgan Hill Downtown Association (MHDA) to Initiate Special Assessment Proceedings to form a PBID in Downtown;	
		2. <u>Direct</u> the City Manager/Executive Director to sign the Petition in Favor of the Assessment;	
		3. <u>Adopt</u> the Resolution of Intent to Initiate the Special Assessment Proceedings; and	
		4. <u>Direct</u> the City Manager/Executive Director to Sign the Ballot in Favor of the Assessment.	
30.	5 Minutes	<u>CITY COUNCIL AND REDEVELOPMENT AGENCY SEPTEMBER 2006 MEETING SCHEDULE</u>	164
		<u>Recommended Action(s):</u> City Council/Redevelopment Agency Board <u>Direction</u> Regarding the September 2006 Meeting Schedule	

FUTURE COUNCIL-INITIATED AGENDA ITEMS:

Note: in accordance with Government Code Section 54954.2(a), there shall be no discussion, debate and/or action taken on any request other than providing direction to staff to place the matter of business on a future agenda.

City Council Action and Redevelopment Agency Action

CLOSED SESSION:

	1.
<u>PUBLIC EMPLOYEE PERFORMANCE EVALUATION</u>	
Authority	Government Code 54957
Public Employee Performance Evaluation:	City Manager
Attendees:	City Council, City Manager

OPPORTUNITY FOR PUBLIC COMMENT

ADJOURN TO CLOSED SESSION

RECONVENE

CLOSED SESSION ANNOUNCEMENT

ADJOURNMENT

PUBLIC COMMENTS ON ITEMS NOT APPEARING ON AGENDA

Following the opening of Council/Agency business, the public may present comments on items *NOT* appearing on the agenda that are within the Council's/Agency's jurisdiction. Should your comments require Council/Agency action, your request will be placed on the next appropriate agenda. No Council/Agency discussion or action may be taken until your item appears on a future agenda. You may contact the City Clerk/Agency Secretary for specific time and dates. This procedure is in compliance with the California Public Meeting Law (Brown Act) G.C. 54950.5. Please limit your presentation to three (3) minutes.

PUBLIC COMMENTS ON ITEMS APPEARING ON AGENDA

The Morgan Hill City Council/Redevelopment Agency welcomes comments from all individuals on any agenda item being considered by the City Council/Redevelopment Agency. Please complete a Speaker Card and present it to the City Clerk/Agency Secretary. This will assist the Council/Agency Members in hearing your comments at the appropriate time. Speaker cards are available on the table in the foyer of the Council Chambers. In accordance with Government Code 54953.3 it is not a requirement to fill out a speaker card in order to speak to the Council/Agency. However, it is very helpful to the Council/Agency if speaker cards are submitted. As your name is called by the Mayor/Chairman, please walk to the podium and speak directly into the microphone. Clearly state your name and address and then proceed to comment on the agenda item. In the interest of brevity and timeliness and to ensure the participation of all those desiring an opportunity to speak, comments presented to the City Council/Agency Commission are limited to three minutes. We appreciate your cooperation.

NOTICE

AMERICANS WITH DISABILITIES ACT (ADA)

The City of Morgan Hill complies with the Americans with Disability Act (ADA) and will provide reasonable accommodation to individuals with disabilities to ensure equal access to all facilities, programs and services offered by the City. If you need special assistance to access the meeting room or to otherwise participate at this meeting, including auxiliary aids or services, please contact the Office of the City Clerk/Agency Secretary at City Hall, 17555 Peak Avenue or call 779-7259 or (Hearing Impaired only - TDD 776-7381) to request accommodation. Please make your request at least 48 hours prior to the meeting to enable staff to implement reasonable arrangements to assure accessibility to the meeting.

If assistance is needed regarding any item appearing on the City Council/Agency Commission agenda, please contact the Office of the City Clerk/Agency Secretary at City Hall, 17555 Peak Avenue or call 779-7259 or (Hearing Impaired only - TDD 776-7381) to request accommodation.

NOTICE

Notice is given, pursuant to Government Code Section 65009, that any challenge of Public Hearing Agenda items in court, may be limited to raising only those issues raised by you or on your behalf at the Public Hearing described in this notice, or in written correspondence delivered to the City Council/Agency Commission at, or prior to the Public Hearing on these matters.

NOTICE

The time within which judicial review must be sought of the action by the City Council/Agency Commission which acted upon any matter appearing on this agenda is governed by the provisions of Section 1094.6 of the California Code of Civil Procedure.



CITY COUNCIL STAFF REPORT

JUNE 7, 2004

Agenda Item # 1

Prepared By:

**Council Services &
Records Manager**

Submitted By:

City Manager

REQUEST FOR CITY COUNCIL SPONSORSHIP OF THE “MAYORS” FOURTH OF JULY RECEPTION

RECOMMENDED ACTION(S): Agree to Sponsor the
“Mayors” Fourth of July Reception

EXECUTIVE SUMMARY:

As the Council is aware, Independence Day, Inc. (IDI) sponsors several events during the Fourth of July Holiday. One of the events is the Fourth of July Parade. This being the City’s Centennial year, Bob and Maureen Hunt, Fourth of July Parade co-chairs, have invited former Council Members, who have served as past mayors, to participate as dignitaries in the parade. The Sister Cities Committee has invited the mayors and delegates from the City’s Sister Cities of San Martin de Hidalgo, Mexico; San Casciano, Italy; and Headford, Ireland; and soon to be Sister City Mizuho, Japan to be a part of the IDI’s Fourth of July festivities as well.

Mayor Kennedy is requesting the Council sponsor a “Mayors” Fourth of July Reception for past Morgan Hill Mayors and the City’s Sister Cities delegations. The luncheon reception will take place on July 4, 2006 from 12 – 2 p.m., following the Fourth of July Parade. Mayor Kennedy is working with the Centennial Committee and the Kiwanis to seek volunteers to assist with hosting this event. Staff estimates the cost to host the luncheon reception to be approximately \$1,500 to pay for the rental of the El Toro Room at the Community & Cultural Center, purchase of food and beverages, and pay for incidentals; as well as to pay for the cost of an event attendant and security guard, as needed.

The Council appropriated \$25,000 in the Community Promotions budget for Fiscal Year 2005-06 for Centennial Activities. All unspent Fiscal Year 2005-06 funds from this account will return to the City’s general fund. Staff will note that the majority of the Centennial Committee’s centennial celebration activities will occur in the first half of Fiscal Year 2006-07. Staff will need to return to the City Council during Fiscal Year 2006-07 to request the Council appropriate funding to offset costs associated with Centennial activities. The Community Promotion’s budget currently has funding to pay for the Mayors reception, should the Council agree to sponsor this event.

FISCAL IMPACT: There is sufficient funds in the Community Promotion’s budget (010-1200-42248) to cover the approximately \$1,500 in costs to sponsor the reception.



CITY COUNCIL STAFF REPORT

MEETING DATE: June 7, 2006

Agenda Item # 2

Prepared By:

Mary Kaye Fisher

Submitted By:

J. Edward Tewes

CONTRACT FOR WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR (TPA)

RECOMMENDED ACTIONS:

1. Authorize the City Manager to execute a consultant services agreement for third party administration of workers' compensation at a cost not to exceed \$50,000 over the term of the agreement.

EXECUTIVE SUMMARY:

Since February 1, 2002 the City has used the services of Athens Administrators to administer our self-insured workers' compensation program. Athens has established a record of consistent professional service to the City and to our employees. They also received a 93 percent ranking of "Excellent" by an independent audit of our claims.

Our current agreement with Athens Administrators will be renewed and extended with this action through June 30, 2007.

CONSISTENCY WITH CITY COUNCIL GOALS:

Efficient and timely handling of the City's workers' compensation claims for on-the-job injuries is consistent with the Council's goal to improve Day-to-Day Operations.

FISCAL IMPACT: Cost of the contract for fiscal year 06/07 is included in the budgeted funds for the workers' compensation program.

LIST OF ATTACHMENTS:

ATTACHMENT A:

Services

ATTACHMENT B:

Service Fees

**CONSULTANT AGREEMENT
NAME OF CONSULTANT**

THIS AGREEMENT is made this 31st day of May, 2006, by the CITY OF MORGAN HILL, a municipal corporation, ("CITY"), and Athens Administrators, a California (corporation, partnership, or sole proprietorship ("CONSULTANT")).

RECITALS

The following recitals are a substantive part of this Agreement:

1. This Agreement is entered into pursuant to the City Council approval on _____.
2. CONSULTANT is qualified by virtue of experience, training, education, and expertise to accomplish these services.

AGREEMENT

THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **Term of Agreement.** This Agreement shall cover services rendered from July 1, 2006, until June 30, 2007. The City Manager is authorized to extend the term of this Agreement for a maximum period of one year. Any such extension shall be in writing and signed by both parties to this Agreement.
2. **Services to be Provided.** The services to be performed by CONSULTANT shall consist of providing third party Workers Compensation Claims administration services for the City as further specified in Exhibit A.
3. **Compensation.** CONSULTANT shall be compensated as follows:
 - 3.1. **Amount.** (\$50,000). Compensation under this Agreement shall not exceed fifty thousand and no/100 dollars.
 - 3.2. **Payment.** For work under this Agreement, payment shall be made per monthly invoice. Payment shall be based on hourly rates in Exhibit "B" attached and incorporated herein by this reference. For extra work not a part of this Agreement, written authorization by CITY will be required, payment shall be based on hourly rates in Exhibit "B" attached and incorporated herein by this reference.
 - 3.3. **Records of Expenses.** CONSULTANT shall keep accurate records of payroll, travel, and expenses. These records will be made available to CITY.
 - 3.4. **Termination.** CITY and CONSULTANT shall have the right to terminate this Agreement, without cause, by giving fifteen (15) days' written notice.
4. **Insurance Requirements.**
 - 4.1. **Commencement of Work.** CONSULTANT shall not commence work under

this Agreement until it has obtained CITY approved insurance. For general liability and automobile insurance policies, CONSULTANT shall provide CITY, prior to commencement of work, with a separate endorsement which states that the policy contains the following language:

- The CITY, its elected officials, officers, employees, agents and representatives are named as additional insureds; and,
- the insurer waives the right of subrogation against CITY and CITY'S elected officials, officers, employees, agents, and representatives; and,
- insurance shall be primary non-contributing.

CONSULTANT shall furnish CITY with copies of all policies or certificates subject to this Agreement, whether new or modified, promptly upon receipt. No policy subject to this Agreement shall be canceled or materially changed except after thirty (30) days' notice by the insurer to CITY by certified mail.

4.2. Workers Compensation Insurance. CONSULTANT and all subcontractors shall maintain Worker's Compensation Insurance, if applicable.

4.3. Insurance Types and Amounts. CONSULTANT shall maintain general commercial liability and automobile insurance against claims and liabilities for personal injury, death, or property damage, providing protection of at least \$1,000,000 for bodily injury or death to any one person for any one accident or occurrence and at least \$1,000,000 for property damage. CONSULTANT shall also maintain professional liability insurance in an amount of \$1,000,000 per claim.

4.4. Acceptability of Insurers. All insurance required by this Agreement shall be carried only by responsible insurance companies licensed to do business in California. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

4.5. Provision of Agreement to Insurers. CONSULTANT represents and warrants that they have provided a copy of this Agreement to their respective insurers, and the insurers are aware of all obligations pertaining to CONSULTANT as stated in this Agreement.

5. Non-Liability of Officials and Employees of the CITY. No official or employee of CITY shall be personally liable for any default or liability under this Agreement.

6. Non-Discrimination. CONSULTANT covenants there shall be no discrimination based upon race, color, creed, religion, gender, marital status, age, disability, national origin, or ancestry, in any activity pursuant to this Agreement.

7. Independent Contractor. It is agreed to that CONSULTANT shall act and be an independent contractor and not an agent or employee of CITY.

8. Compliance with Law. CONSULTANT shall comply with all applicable laws, ordinances, codes, and regulations of the federal, state, and local government.

9. **Ownership of Work Product.** All documents or other information developed or received by CONSULTANT for work performed under this agreement shall be the property of CITY. CONSULTANT shall provide CITY with copies of these items upon demand or upon termination of this Agreement.

10. **Conflict of Interest and Reporting.** CONSULTANT shall at all times avoid conflict of interest or appearance of conflict of interest in performance of this Agreement.

11. **Notices.** All notices shall be personally delivered or mailed, via first class mail to the below listed address. These addresses shall be used for delivery of service of process. Notices shall be effective five (5) days after date of mailing, or upon date of personal delivery.

Address of CONSULTANT is as follows:

**Athens Administrators
P.O. Box 696
Concord, Ca 94522-0696**

Address of CITY is as follows:

City Department Director	with a copy to:
City of Morgan Hill	City Clerk
17555 Peak Avenue	17555 Peak Avenue
Morgan Hill, CA 95037	Morgan Hill, CA 95037

12. **CONSULTANT'S Proposal.** This Agreement shall include CONSULTANT'S proposal or bid, which is incorporated herein. In the event of any inconsistency between the terms of the proposal and this Agreement, this Agreement shall govern.

13. **Licenses, Permits, and Fees.** CONSULTANT shall obtain a City of Morgan Hill Business License, all permits, and licenses as may be required by this Agreement.

14. **Familiarity with Work.** By executing this Agreement, CONSULTANT warrants that: (1) it has investigated the work to be performed; (2) it has investigated the site of the work and is aware of all conditions there; and (3) it understands the difficulties and restrictions of the work under this Agreement. Should CONSULTANT discover any conditions materially differing from those inherent in the work or as represented by CITY, it shall immediately inform CITY and shall not proceed, except at CONSULTANT'S risk, until written instructions are received from CITY.

15. **Time of Essence.** Time is of the essence in the performance of this Agreement.

16. **Limitations Upon Subcontracting and Assignment.** Neither this Agreement nor any portion shall be assigned by CONSULTANT, without prior written consent of CITY.

17. **Authority to Execute.** The persons executing this Agreement on behalf of the parties warrant that they are duly authorized to execute this Agreement.

18. **Indemnification.** CONSULTANT agrees to protect, defend and hold harmless CITY and its elective or appointive boards, officers, agents, and employees from any and

all claims, liabilities, expenses, or damages of any nature, including reasonable attorneys' fees, for injury or death of any person, or damage to property, or interference with use of property, to the extent arising out of performance of the Agreement by CONSULTANT, CONSULTANT'S agents, officers, employees, subcontractors, or independent contractors hired by CONSULTANT. The only exception to CONSULTANT'S responsibility to protect, defends, and holds harmless CITY is due to the sole negligence of CITY as adjudged by a court of competent jurisdiction. This agreement shall apply to all liability, regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by CONSULTANT.

19. **Modification**. This Agreement constitutes the entire agreement between the parties and supersedes any previous agreements, oral or written. This Agreement may be modified or provisions waived only by subsequent mutual written agreement executed by CITY and CONSULTANT.

20. **California Law**. This Agreement shall be construed in accordance with the laws of the State of California. Any action commenced about this Agreement shall be filed in the Santa Clara County Superior Court.

21. **Interpretation**. This Agreement shall be interpreted as though prepared by both parties.

22. **Preservation of Agreement**. Should any provision of this Agreement be found invalid or unenforceable, the decision shall affect only the provision interpreted, and all remaining provisions shall remain enforceable.

IN WITNESS THEREOF, these parties have executed this Agreement on the day and year shown below.

ATTEST:

THE CITY OF MORGAN HILL

City Clerk
Date: _____

City Manager
Date: _____

APPROVED:

"CONSULTANT"

Risk Manager
Date: _____

By: *President*
Date: *5/31/2006*

APPROVED AS TO FORM:

City Attorney
Date: _____

EXHIBIT A

SERVICES

CLAIMS ADMINISTRATION

To make all disability payments and send all notices in a timely manner, abiding by all applicable provisions of the California Labor Code.

To decide on behalf of CITY what benefits, if any, should be paid or rendered under the applicable workers= compensation laws in each reported claim.

To establish and maintain a claim file, with a diary date not to exceed thirty (30) days, on each active claim upon which indemnity benefits are being paid; A diary not to exceed sixty (60) days on all other open, active Indemnity claims; and a supervisory review diary not to exceed one-hundred-twenty (120) days, or more often when needed.

To pay medical expenses, temporary or permanent disability, Allocated Loss Expense, rehabilitation expense, claims and all other workers= compensation benefits payable to the injured employees of CITY or their dependents in the event of death as prescribed by law (A Claim Expenses@) out of funds provided by CITY.

To make payments of bills in a timely manner after review by an auditing firm and pay all bills or invoices within thirty (30) working days of initial receipt of the bills(s) or invoice(s) from the bill review company chosen by CITY.

To provide all forms and supplies necessary for the efficient operation of the self-insurance program, including customized benefit checks bearing CITY=S name and logo, and to prepare and file all legally required forms and documents including but not limited to, Self-Insurers= Annual Reports, 1099 reports to the IRS by magnetic media, all reports necessary for CITY=S insurance carrier(s) to file the requisite Unit Statistical Filings in the State of California, and any and all other documents and reports now or in the future required by the state or federal government or any other agency associated with CITY=S workers= compensation program.

To use best efforts to close all claim files, as expeditiously as possible.

INVESTIGATION

To examine, on behalf of CITY, all reports of industrial injury or disease relating to CITY=S employees or former employees and reported to CONSULTANT.

To make personal telephone contact with each injured employee of CITY whose claim results in more than three lost time days from work, and, where appropriate the CITY facility, within 48 hours of assignment of the claim to CONSULTANT, and to document such contact in the claim file.

To take necessary statements and investigate facts of the injury or illness within the required ninety day time period for the delay and investigation of questionable claims, when warranted by the damages and legal liability exposure.

To maintain contact with claimants, on an ongoing basis, to effect necessary control.

To assign activity checks or surveillance when agreed upon by CITY and CONSULTANT.

To recognize and investigate subrogation/contribution possibilities and preserve needed evidence.

To evaluate all reserves and settlement potential with each file review, based on information gathered in the investigation.

FILE MANAGEMENT AND REPORTING

To maintain a claim file on each reported claim which shall be available to CITY at all times for inspection and to conduct, at a time and frequency to be determined by CITY, claim file reviews with CITY at CONSULTANT=S offices or CITY=S facilities.

To consult with and advise CITY on any matter arising in connection with the business of CITY which involves the subject matter of this Agreement.

To provide CITY with computer-generated loss runs, case logs, check registers, risk analysis reports and any other claim-related reports requested by CITY, at a frequency and number to be mutually agreed upon.

To subscribe to and pay for on CITY=S behalf, enrollment in the Index Bureau System and to report to the Index Bureau on each and every Indemnity Claim.

To provide for CITY the ability to be on-line with the CONSULTANT computer system. In addition CONSULTANT will, at no additional charge, train CITY personnel in the use of this program, including report generation.

To promptly provide CITY, at CITY=S request, with copies of all legally allowable correspondence generated on those claim files which are litigated and to immediately notify and keep CITY closely informed on those claims involving allegations of Serious and Willful Misconduct or alleged violation(s) fo California Labor code Section 132(a).

To promptly provide CITY with written notification, in a format acceptable to CITY, on all claims with an initial reserve of \$20,000, and on all claims with an aggregate reserve increase of \$20,000. Requests for claim settlement of \$20,000 or more must be first submitted in writing in a format approved by CITY, for approval by CITY. In addition, CONSULTANT must, immediately upon notice, verbally report to CITY the following types of claims:

Fatality, quadriplegia, paraplegia, amputation of a major extremity, heart attack, back claims, requiring surgery, serious burns or other disfigurement, loss of sight or hearing, brain damage, surgical intervention, or any other extreme permanent injury.

To notify CITY immediately if it appears an employee is unable or should not perform his or her usual and customary job duties.

To clearly explain in the claim file the basis for the initial reserve, any reserve revisions, and all payments.

To document all phone conversations, discussions and meetings held on each case in the claim file.

LITIGATION MANAGEMENT

To give consideration to either settlement or defense of the case once a lawsuit is filed by a claimant. CONSULTANT will document the process in the file.

To select defense counsel on the basis of needed expertise and expected performance.

To outline work to be done, by whom, and in what time frame in a letter of direction to defense counsel. If a verbal assignment is made in the interests of time, the claim file must reflect the scope of the instruction. CONSULTANT will document by a written communication to counsel.

To manage defense counsel activity on an ongoing basis and obtain status reports from defense counsel every sixty (60) days, unless otherwise agreed to by CITY.

To obtain within thirty (30) days after case receipt defense counsel=s written opinion which will include the evaluation of liability, verdict potential, settlement value, and settlement/defense strategy.

To solicit itemized legal bills and review for payment consideration at least bi-monthly and share those with CITY.

MEDICAL CONTROL

To schedule timely medical examinations with physicians specializing in the types of disabilities involved and provide them relevant medical and job information that could affect their medical evaluation.

To monitor treatment programs for injured employees including the review of all ADoctor=s First Report of Work Injury@ to ensure that the treatment is related to a compensable injury or illness.

To review all medical bills for causal relationship to the accident and reasonableness of treatment prior to payment.

To utilize medical bill review service on all requisite medical bills.

To provide CITY with monthly bill review costs and savings results.

To cooperate with CITY or third party claims audit services in the conduct of periodic claim audits.

To consult with CITY=S personnel and provide guidance and evaluations of the physical capabilities of injured employees to return to work.

CONFIDENTIALITY

All services performed under this agreement are confidential and will not be disclosed to any third party by CONSULTANT without CITY=S prior written consent.

CITY=S OBLIGATIONS

CITY agrees:

To promptly report to CONSULTANT as they shall occur and become know to CITY, the incidents of occupational injury, disease or death of CITY=S employees in the

State of California.

To promptly forward to CONSULTANT all applications, notices of claims, notices of hearings or other legal notices pertaining to claims against CITY or occupational injury, disease or death in the State of California.

That failure of CONSULTANT to settle a claim or loss within the discretionary settlement authority limit shall not subject CONSULTANT to liability in the event of an adverse judgment, except where such failure is a result of CONSULTANT=S gross negligence, willful misconduct or breach of this Agreement.

To be responsible for administering the escheat process.

GENERAL TERMS AND CONDITIONS

Authority. CONSULTANT shall have authority to adjust, settle or resist without CITY=S prior approval, any claim or loss up to \$20,000, not inclusive of monies already paid.

Funds for Payment. CONSULTANT shall pay Claim Expenses from a bank account established by CONSULTANT and funded by CITY. CONSULTANT shall administer such account in accordance with this Agreement as trustee of CITY.

PENALTIES

Penalties imposed by the Workers= Compensation Appeals Board, Department of Industrial Relations, the Division of Workers= Compensation, the Federal Government, or any judicial forum or quasi-judicial forum in the State of California, arising out of the handling and/or litigating of workers= compensation claims, shall be the responsibility of CITY if imposed as a result of actions taken by CONSULTANT at the written direction of CITY. Penalties for delay in payment of benefits caused by CITY=S gross failure to timely report claims to CONSULTANT shall be the responsibility of CITY if such failure is the overriding factor in such delay. Penalties as a result of CONSULTANT=S performance of services under this Agreement, including penalties for delay in payment of benefits and bills shall be the responsibility of CONSULTANT.

CONSULTANT shall provide CITY with a quarterly accounting of penalties paid by CONSULTANT on behalf of CITY including a description and detailed listing of each penalty payment and the specific claim file to which the penalty payment was charged. Penalties shall be paid out of CITY=S benefit account and CONSULTANT shall reimburse CITY quarterly for those penalties which are the responsibility of CONSULTANT under the terms and conditions of this Agreement.

Notwithstanding anything to the contrary in this Agreement, upon receipt by CONSULTANT of a notice of claim from CITY upon which indemnity benefits shall be paid or notice given promptly to the employee in order to avoid late payment of benefit penalties, CONSULTANT shall have seventy-two hours (excluding weekends and holidays) from the date of receipt of the claim from CITY, to investigate and pay the temporary disability or send the required wage continuation notice, and that failure on the part of CONSULTANT to do within this time frame shall be the financial responsibility of CONSULTANT for any fine imposed for late notice or payment of benefits. Any fines or penalties for late payment or notice of benefits on claims which are received from CITY by CONSULTANT on or after the 11th day of disability shall be the responsibility of CITY.

CONSULTANT will be responsible for any fines or penalties associated with questionable or controverted claims which CONSULTANT denies without first consulting and obtaining approval by CITY for denial of the claims.

CONSULTANT will be responsible for any fines or penalties assessed on delayed or denied claims if such claims were delayed or denied at the recommendation of CONSULTANT. CONSULTANT will not be responsible for any fines or penalties levied by the division of Workers= Compensation or any other judicial or quasi-judicial organization for improper denial of a claim if, over the objections of CONSULTANT, CONSULTANT has denied said claim at the direction of CITY.

EXHIBIT B

SERVICE FEES

CITY agrees to pay CONSULTANT the following service fees during the term of this Agreement:

Medical Only claims @ \$129 each

Indemnity claims @ \$750 each

Open Indemnity claims beyond the first service year @ \$93 each

Based on current open claims and estimated new claims annual amount of \$47,210.

Service fees are due and payable by CITY at the beginning of each month for which services are to be performed. CONSULTANT will furnish CITY with a monthly billing.

The foregoing service fees do not include Allocated Loss Expense which shall be the responsibility of CITY. "Allocated Loss Expense" shall mean all Workers' Compensation Appeals Board or Court costs, fees and expenses; fees for service of process; fees to attorneys; the cost of services of undercover operatives, investigators, and detectives; the cost of employing experts for the purpose of investigation, preparing maps, photography, diagrams, chemical or physical analysis or giving expert advice or opinions involving chemical or physical questions, the cost of copies of transcribed testimony at coroners' inquests or criminal or civil proceedings; the cost of obtaining copies of any public records; the cost of depositions and court reporter or recorded statements; and any similar costs or expenses properly chargeable to the defense or investigation of a particular claim or to protection of the subrogation rights of CITY.



CITY COUNCIL STAFF REPORT

MEETING DATE: *June 7, 2006*

STATUS OF FISCAL YEAR 2004/05 AND 2005/06 GENERAL PLAN IMPLEMENTATION

RECOMMENDED ACTION(S):

Accept and File the General Plan Implementation Report with the State OPR and State HCD.

EXECUTIVE SUMMARY:

The City's General Plan and the California Government Code requires each planning agency to provide an annual report to the City Council and to the State of California Office of Planning and Research (OPR) and the Department of Housing and Community Development (HCD) regarding the progress of the status of the plan and progress in its implementation. A comprehensive update of the General Plan was completed in 2001. Included in the update was an implementation plan establishing a priority for completion of each action item. In 2002 the Housing Element was updated and submitted to the State of California for review. The State provided recommended changes in order to bring the Element into compliance. In 2004, the Residential Development Control System was amended and extended by the voters under Measure C to enable the City to meet our regional housing needs allotment. In May 2006, a final draft of the Housing Element was submitted to State HCD for final review and comment. Public hearings to adopt the Housing Element are scheduled for June (Planning Commission) and July 2006 (City Council), and the final adopted Housing Element will then be sent to HCD for certification.

The attached May 9, 2006 report to the Planning Commission identifies the General Plan Land Use Amendments and Action Items that were completed in Fiscal Year 2004/05 and in Fiscal Year 2005/06 to date. An annual report was not prepared in 2005 due to staff shortages. The attached report therefore addresses the General Plan Amendments and implementation items that were completed over the past two fiscal years. For Fiscal Year 2004-2005 and 2005-2006, 71 high priority actions were identified. These actions are attached as Table A to the May 9 staff report. The table lists the actions, department responsible for the actions, and the status. Thus far, 41% or 33 actions are complete, 32 of the actions are in progress, and 6 are scheduled as part of future work plans.

The Planning Commission voted 7-0 to recommend the City Council accept the attached General Plan Implementation Report. It is further recommended that staff be directed to file this report with the State Office of Planning and Research and the State Department of Housing and Community Development as required under Government Code section 65400.

FISCAL IMPACT:

No budget adjustment required.

Agenda Item # 3

Prepared By:

Planning Manager

Approved By:

**Community
Development Director**

Submitted By:

City Manager



Memorandum

To: PLANNING COMMISSION

Date: MAY 9, 2006

From: COMMUNITY DEVELOPMENT DEPARTMENT

Subject: STATUS OF FISCAL YEAR 2004/05 AND 2005/06 GENERAL PLAN IMPLEMENTATION

REQUEST: Review Status of General Plan Implementation.

RECOMMENDATION: Report to the City Council that satisfactory progress is being made toward General Plan Implementation.

BACKGROUND:

Action 1.3 of the City's General Plan in the Community Development Element requires the City to review progress in meeting General Plan goals and policies for each Fiscal Year. In addition, California Government Code section 65400 requires each planning agency to provide an annual report to the City Council and to the State of California Office of Planning and Research and the Department of Housing and Community Development (HCD) regarding the progress of the status of the plan and progress in its implementation. In 2002 the Housing Element was updated and submitted to the State of California for review. The State provided recommended changes in order to bring the Element into compliance. In 2004, the Residential Development Control System was amended and extended by the voters under Measure C to enable the City to meet our regional housing needs allotment. Community Development staff continues to work on incorporating the State HCD recommendations into the Element.

GENERAL PLAN IMPLEMENTATION

Community Development Element

The Community Development element of the General Plan includes the required land use element. The Community Development element discusses land use, community character and public facilities. Included are goals and policies intended to ensure that Morgan Hill retains its rural atmosphere while accommodating sensible, orderly growth that will promote the local economy and fit within the City's ability to provide adequate public services.

Land Use

The land use element contains policies regarding density, general distribution of land uses, including housing, business, industry, open space and public facilities within the City's Sphere of Influence. A land use map is included as part of the land use element.

The General Plan update in 2001 included a study of the available land to meet the future demand for commercial, industrial, residential, open space and public facilities within Morgan Hill's sphere of influence. The study concluded there is enough land available through 2041 to meet the need of Morgan Hill.

Land Use Amendments

During the 2004-2005 and calendar year 2005, the City approved the seven General Plan Amendments listed below:

1. General Plan Amendment 04-06-General Plan Text Amendment, adopted July 21, 2004. This action amended the General Plan text in order to bring the text into conformance with language in the voter approved Measure C initiative.
2. General Plan Amendment 04-07-Downtown Plan-Sunsweet Property, adopted August 3, 2004. This action occurred on 3.5 acres known as the "Sunsweet Property", between 3rd and 4th Streets, west of Monterey Highway amending residential density on the site to increase from 8-18 dwelling units per acre to 25-40 dwelling units per acre.
3. General Plan Amendment 04-08-Tennant-Huang, adopted January 19, 2005. This action occurred along the northwest corner of Tennant Avenue and Caputo Drive amending 1.45 acres from Industrial to Non-Retail Commercial land use designation.
4. General Plan Amendment 04-09-Monterey-Alcini adopted October 5, 2004. This action occurred along Monterey Road and Church Street from East Dunne Avenue South to Bisceglia Avenue amending twenty seven parcels totaling 9.78-acres from Commercial to a Mixed Use land designation.
5. General Plan Amendment 04-10-East Dunne-Basanty adopted October 5, 2005. This action occurred along the southeast corner of East Dunne Avenue and Church Street amending two parcels totaling .347 acres from Industrial to a Mixed Use land designation.
6. General Plan Amendment 04-12-Cochrane-City of Morgan Hill adopted November 16, 2005. This action amended the General Plan Map and Circulation Plan of the Morgan Hill General Plan to relocate a future collector street north of Cochrane Road from DePaul Drive to Mission View Drive.

7. General Plan Amendment 05-03-Condit-Kubo/Patel adopted October 5, 2005. This action occurred along the southwest corner of Condit Road and Diana Avenue adjacent to the East Side of Highway 101 amending 19.87 acres from Industrial to a Commercial land use designation

Land Development

In FY 2004-2005 and calendar year 2005, land development in the past 18 months absorbed approximately 70.5 acres of vacant land. The pace of development has slowed over the past few years as compared to the booming economy of the late 1990's.

Commercial

In FY 2004-2005, approximately 2.5 vacant commercial lands developed. The General Plan Background Report estimated that between 2.3-4.4 acres per year would be need between the years 2000-2010. There are currently approximately 243 acres of vacant commercial land, which are reflected in the land use diagram.

Industrial

In FY 2004-2005, approximately 2 acres of vacant industrial land developed. Much of the development occurred along Butterfield Boulevard. The General Plan Background Report estimated that between 7.8-17.8 acres of industrial land per year would be need between the years 2000-2010. Industrial development has slowed as compared to the late 1990's and 2000. There are currently approximately 647 acres of vacant industrial land in the land use diagram.

Public Facilities

In FY 2004-2005, approximately 8 acres of vacant land zoned for public facilities were developed for the Indoor Community Recreation Center, scheduled to open in September 2006.

Residential

According to the General Plan, at current construction rates, available residential land in the City and in the Urban Growth Boundary will take more than 30 years to develop.

During FY 2004-2005, approximately 58 acres of residential land developed. This includes land with completed units and land with units under construction. 260 building permits for dwelling units were issued during the FY 2004-2005.

In March 2004 a Special Municipal Election was held in which the voters approved a Measure C to amend and extend the General Plan and Municipal Code to update Measure P, the City's Residential Development Control System (RDCS). Measure C extends the RDCS to 2020 and establishes a

population ceiling of 48,000 for the year 2020. In FY04/05 a Measure C competition was held in which allocations for 386 units were awarded.

Goal and Action Item Update

The following is a brief description of individual goals and action items listed in the General Plan, which experienced notable activity during FY2004-2005 and FY2005-2006:

Goal 8 (Page 31) calls for distinct well-designed residential neighborhoods. The Community Development Director, Planning Manager and Senior Planner are currently working to prepare a draft of an architectural handbook to ensure compliance with this goal. It is anticipated the draft will be completed in FY06-07.

Goal 9 (Page 32) calls for sufficient and concentrated commercial use. The City Council approved a commercial development known as the DiNapoli Project located on east side of 101 and Cochrane Road. This project was approved to accommodate a grocery store, but the project may include a multiplex cinema instead. A grocery store could be located in Cochrane plaza on the west side of 101, but requires voter approval. The City Council has placed a ballot measure on the June 2006 ballot for the voters to approve removal of the grocery store restriction.

Goal 11 (Page 35) calls for adequate land for industrial development. The Planning Division is preparing a Request for Proposal for an industrial land market analysis to be issued in May 2006.

Goal 12 (Page 36) calls for a visually attractive urban environment. The City Council expanded the scope of the Library Commission to include art and culture. The newly expanded Library, Culture and Arts Commission is working to develop policies and guidelines regarding public art.

Goal 13 (Page 38) calls for a vibrant and identifiable downtown. The Downtown Plan is currently being implemented and the City's Business Assistance and Housing Services Department administers the façade improvement program for the downtown area.

Goal 16 (Page 41) calls for an urban level of services and facilities and requires that all City projects go through the same development review projects as private projects. Two City projects that have complied with this requirement are the Indoor Recreation Center and the new Morgan Hill Library. The anticipated completion date for the Indoor Recreation Center is September 2006 and the anticipated completion date for the Library is April 2007.

Goal 17 (Page 42) calls for efficient police, fire and emergency medical response and services. Policy 17(a) calls ensuring police and fire staffing and facilities as necessary to provide adequate safety protection. A new police station was opened in July 2004, which replaced the older crowded facility. The new facility offers increased safety for the public, enhanced parking, and better working conditions for Police Department employees. Fire response time remained steady in FY04-05 and FY05-06 at an average of 4.5 minutes with an average of 150 calls per month. This goal of the General Plan continues to be met through promotion adequate fire and security response as well as crime and fire prevention strategies.

Goal 18 (Page 43) calls for useful, accessible and high-quality park, recreation and trail facilities and programs. Action Item 18.1 calls for acquisition of appropriate park land. Currently, the City plans to annex 1.33 acres to Jackson Park.

Action Item 18.3 calls for working in partnership with MHUSD to identify potential locations for future parks adjacent to future schools. A new park site has been identified on Peet Road. The City plans to acquire a 3 acre parcel adjacent to the residential development known as Alicante and adjacent to a 10 acre future school site located at the intersection of Mission Avenida and Peet Road, south of Cochrane.

Action Item 18.5 calls for working in partnership with Santa Clara Valley Water District to establish easements and develop trails along creeks and ways. In July 2005 the City Council adopted a policy for land use near streams and waterways, including stream/habitat protection measures. The policy states new development adjacent to streams and waterways shall be designed to preserve and integrate the waterways and associated habitats.

Action Item 18.6 calls for working in partnership with Santa Clara County Parks and Recreation Department to enhance appropriate community use of county and city parks. The County is currently updating the Coyote Creek Master Plan. City staff has been providing comment to County staff as the update progresses.

Action Item 18.14 calls for consistent and reliable funding source for long-term operations and maintenance. Service levels for parks maintenance and operations will be reevaluated upon completion of the Community Conversation sponsored by the City of Morgan Hill.

Action Item 18.17 calls for consideration of restrooms at parks based on guidelines established in the Parks, Facilities and Recreation Programming Master Plan. New low maintenance restrooms are replacing the old ones at Galvan and Community Parks.

Action Item 18.22 calls for measurable maintenance standards for parks and recreation facilities to encourage a consistent and high level of maintenance. These standards were implemented in 2005.

Goal 19 Action Item 19.8 (Page 51) calls for coordinated urban and school development. The City has identified a new 3 acre park site located on Peet Road, adjacent to the residential development known as Alicante and a 10 acre future school site located at Peet Road and Mission Avenida, south of Cochrane Avenue.

Goal 21 (Page 52) calls for efficient waste water treatment. The City has recently initiated a number of water conservation programs including a new water-efficient design ordinance, mandatory sub-metering for multifamily dwellings and a turf replacement rebate program. Water conservation public education materials are shared at major community events and festivals. Furthermore, the South County Regional Wastewater Authority Recycled Water Master Plan was completed in 2005.

Economic Development Element

The Economic Development Element seeks to diversify the local economy with broad range of retail and service amenities, increase job opportunities for local residents, decrease the need to commute, and expand the City's job base.

Goal and Action Item Update

The following is a brief description of individual goals and action items listed in the General Plan, which experienced notable activity during FY2004-2005 and FY2005-2006:

Goal 1 (Page 58) calls for strong stable and diverse economic base. The Community Development Department added a Senior Planner position to work primarily with the Downtown Merchants Association and the Chamber of Commerce to facilitate development of the downtown area.

Goal 2 (Page 58) Jobs/Housing Balance

General Plan policy 2d (page 58) states that the City should aim to reach equilibrium between the supply of jobs and employed residents in the City. The following table shows the job/housing balance from 2005-2030 according to the Association of Bay Area Governments (ABAG). ABAG projects that between 2005-2030 the job/housing balance will increase and projects the City will add more jobs than employed residents. Between 2005-2030, ABAG forecasts that the job/housing balance for the City will improve, and exceed equilibrium in 2020. ABAG projects that Morgan Hill will experience a 26% job rate growth in the first half of the forecast (2005-2015). This will be the second highest job rate growth in the County after Gilroy at 46%. See table below:

Year	Jobs	Employed Residents	Job Deficit	Ratio
2005	14,520	16,620	-2,100	0.87
2010	16,490	18,870	-2,380	0.87
2015	19,170	20,160	-990	0.95
2020	21,760	21,490	270	1.01
2025	24,330	22,580	1,750	1.08
2030	27,570	23,140	4,430	1.19

Source: ABAG Projections 2005 for Sphere of Influence

Measure C Allocations

The Measure C was approved by the voters in a special election in March 2004. In February and March 2005, the Measure C competition awarded a total of 386 units to be built in fiscal years 2006-2007, 2007-2008, and 2008-2009. Please see table below:

FY04-05 Measure C Awards	
2006-2007	169 units
2007-2008	95 units
2008-2009	122 units
Total	386 units

Population Growth

The City population increased from 33,556 in 2000 to 36,423 in 2005 representing an increase of 7% over the last five years, or an increase of 2,867 persons. Measure C caps the population at 48,000 people in the year 2020. Thus, the City could only add approximately 770 people a year until January 1, 2020. Please see table below:

Growth Between 2006-2020		
(Assumes Average of 770 Persons per Year)		
Year	Projected Population	Percentage Growth Over Prior Year
2006	37,170	2.07%
2007	37,940	2.03%
2008	38,710	1.99%
2009	39,480	1.95%
2010	40,250	1.91%
2011	41,020	1.88%
2012	41,815	1.90%
2013	42,585	1.81%
2014	43,355	1.78%
2015	44,125	1.75%
2016	44,920	1.77%
2017	45,690	1.69%
2018	46,460	1.66%
2019	47,230	1.63%
2020	48,000	1.60%

Goal 2 (Page 60) calls for additional, adequate job opportunities for local residents. City staff is working to minimize the impacts of Coyote Valley development on South County jobs/housing balance. A representative regularly attends the Coyote Valley Specific Plan meetings.

Goal 3 (Page 61) calls for a viable tourist industry. The City has entered into an agreement in the amount of \$36,000 with the Chamber of Commerce to promote Morgan Hill as a tourist destination. The Chamber is working in partnership with the Gilroy Visitors Bureau to implement the South County Regional Tourist Program. Funding from the City will be used toward memberships and affiliations with tourism organizations including the Central Coast Tourism Council, administration expenditures, Trade Shows, advertising, printing, postage, Familiarization Tours, travel expenses and promotion.

Circulation Element

The Circulation Element offers mechanisms for making Morgan Hill a safe and efficient place to travel. It contains goals, policies and actions aimed at making the existing road network more efficient and user-friendly, solving existing traffic and parking problems, and expanding transit and non-motorized travel opportunities.

In FY04-05 almost all intersections in the City operated at Level of Service (LOS) “D” approaching unstable flow, tolerable delays, or better. The planned City circulation system is designed to operate at LOS D+, except at intersections where achieving LOS D+ at General Plan buildout would require extraordinary development expenditure and right-of-way acquisition.

Goal and Action Item Update

The following is a brief description of individual goals and action items listed in the General Plan, which experienced notable activity during FY2004-2005:

Goal 1 (Page 69) calls for a balanced, safe and efficient circulation system for all segments of the community. In accordance with the City’s Capital Improvement Program, (CIP) the City is currently working on a Plan Line Study of Santa Teresa and Butterfield Boulevard which is scheduled to be completed by July 2006. Other CIP projects the City is currently working on within the circulation element include reconstruction of Depot Street, scheduled for completion in July 2007; Tennant Avenue widening, scheduled for completion by December 2006; Downtown traffic calming included the installation of speed cushions on Monterey Road and modification of the traffic signal at Monterey Road and Main Avenue, scheduled to be completed in FY05/06; safety improvements to enhance safety of the Tilton Avenue and Monterey Road intersection, scheduled to be completed in FY05/06.

Goal 2 (Page 69) calls for coordinated transportation planning efforts with local, regional, State and Federal agencies. The City is currently working with CalTrans to complete a PSR/PR document in preparation for an application for grant funds for improvements at the Tennant and 101 interchange.

Goal 3 (Page 70) calls for a coordinated, continuous network of streets and roads. The City adopted development guidelines for preparation of the transportation impact of new developments. In 2005, the City Council approved an amendment to the General Plan map and circulation plan to relocate the future collector street north of Cochrane Road from DePaul Drive to Mission View Drive.

Goal 3 Action 3.5 (Page 73) calls for maintenance, regular review and update as necessary, the system of fees and assessments to cover the cumulative impacts of new development and land acquisition and construction cost changes on the overall road system. During FY04/05 the system was maintained and fees were collected. For cost recovery purposes, fees were increased effective July 2005 and the cost of living fees were also increased in January 2005 based upon previous City Council approval.

Goal 6 (page 76) calls for a safe and efficient transit system that reduces congestion by providing viable non-automobile modes of transportation. There are four VTA bus routes and a rail line operated by Caltrain that serve the City. Caltrain operates from Gilroy to the south, to San Jose, Silicon Valley, and San Francisco to the north. Caltrain currently operates 3 weekday morning northbound trains and three evening southbound trains. This is a reduction from 4 trains in both directions in 2002. Caltrain is currently working on a \$30 million double tracking project from South San Jose to Gilroy, which will allow train service to expand from 6 trains a day to 12. Anticipated completion of this project is summer 2006. The Valley Transportation Authority, which operates bus lines in the County, is working with the City of Morgan Hill to consider implementation of a community bus service. The community bus operates smaller shuttle style buses, which can provide greater flexibility and convenient and frequent access to local destinations.

Goal 7 (Page 76) calls for a usable and comprehensive bikeway system. The City completed the linear trail and bikeway along the Butterfield Linear Park. The City received grants for implementation of the following projects: 1) Signing and Striping for Class II bike land; 2) Bicycle Sensitive Loop Detectors; 3) Main Avenue Crossing Improvements; 4) Monterey Undercrossing Improvements. Projects currently underway include the Trails Master Plan, Coyote Creek Trail Connection, Wildlife Trail and portion of West Little Llagas Creek Trail, between La Crosse and Watsonville.

Goal 8 (Page 81) calls for expanded pedestrian opportunities. In 2004, the City received a grant from the Metropolitan Transportation Commission for capital improvements on Depot Street in order to create an aesthetically pleasing pedestrian and bicycle friendly environment that will encourage trips to and from downtown to the Caltrain station.

Open Space and Conservation Element

The Open Space/Conservation Element sets goals and policies that protect open space areas for natural resources, outdoor recreation, public health and safety, and agricultural activities. In addition, it also addresses the conservation and use of natural and cultural resources, including wetlands, forests, rivers, archeological remnants and historic structures.

Currently, there are approximately 1,367 acres of open space within the city limits. The General Plan states that land designated as open space in 1990, shall remain as open space through 2020. The number of open space acres currently owned by the city is 345. There are approximately 173.7 acres designated as City parks/developed park land. It is anticipated this will remain the same through 2010. The General Plan calls for a standard of 5 acres of parkland per thousand in population. With the current population of 36,400, there are approximately 4.77 acres per thousand.

Goal and Action Item Update

The following is a brief description of individual goals and action items listed in the General Plan, which experienced notable activity during FY2004-2005 and FY2005-2006:

Goal 1 (Page 83) calls for preservation of open space areas and natural features. An Urban Limit Line study was completed in 2004 to establish an Urban Limit Line (ULL). The purpose of an Urban Limit Line study is to encourage more efficient growth patterns, minimize public costs and protect environmental resources. As a result of this study; the ULL was established and adopted in April 2006 except for area known as the Southeast Quadrant (SEQ) - 1,250 acres of farmland adjacent to San Martin. An industrial land market analysis currently being conducted to evaluate the potential for an industrial park with the SEQ.

Goal 1 - Action 1.4 (Page 84) calls for pursuit of further coordinated action with Gilroy and Santa Clara County. The Coyote Lake-Harvey Bear Ranch County Park opened in FY04/05. This 4,595-acre park is part of the Santa Clara County Parks System. The northern portion of this park is located within the City's Sphere of Influence.

Action 1.5 (Page 84) calls for continuation of City programs to implement portions of trail systems and streamside park chains within their boundaries. In July 2005 the City Council adopted a policy for land use near streams and waterways, including stream/habitat protection measures. The policy states new development adjacent to streams and waterways shall be designed to preserve and integrate the waterways and associated habitats. In February 2007, the City Council will adopt regulations for land uses near streams.

Goal 2 (Page 85) calls for working with the County and San Jose to develop a plan for a greenbelt along the expected edge of the urbanized area. The City adopted the Urban Limit Line/Greenbelt study in April 2006, which represents the ultimate limits of City growth. The purpose of an Urban Limit Line/Green Belt Study is to encourage more efficient growth patterns, minimize public costs and protect environmental resources. The City is currently working with the City of San Jose on the South Coyote Valley green belt.

Goal 3 (Page 86) calls for viable agricultural industry. The City's Right to Farm Ordinance through which buyers of real estate within the City limits must be informed of the accepted customs and practices or agricultural/farming operations and the effects this may have upon nearby residences.

Goal 6 (Page 90) calls for protection of native plants and animals. Action 6.1 calls for development of design programs for the preservation and reclamation of degraded riparian areas. Santa Clara County's Coyote Creek Master Plan addresses repair of the riverbed formerly used a quarry located north of Ogier Road and south of Riverside Drive.

Action 6.4 (Page 90) calls for use of a land modification matrix to evaluate all land modification and environmental impacts on wildlife. This is achieved as part of an on-going evaluation of the environmental impact on wildlife as part of the CEQA process.

Goal 8 (Page 92) of the element calls for the Preservation of the City's historic identity. The Planning Division is currently preparing a Historical Context Statement. Once completed, a Request for Proposals to define the scope of the Historical Inventory will be issued before the end of FY05-06. The City has also adopted a mitigation measure, which requires historical evaluation of

any building over 45 years old prior project approval.

Overall, the Open Space and Conservation element identifies eight goals related to including preserving open space and natural features; creating a stable greenbelt; maintaining a viable agricultural industry; preserving hillside areas as open space; preserving and reclamation of streams and riparian areas as open space; protecting native plants and animals; conserving natural resources; and preserving the City's historic identity. The City has addressed these items through a mix of open space fees on new development, zoning regulations, environmental impact reviews and joint actions with special district, the County, and South County Cities, and the acquisition of open and hillside land. These programs have resulted in substantial compliance with Open Space/Conservation Element goals and policies.

Public Health and Safety Element

The Public Health and Safety element aims to protect persons from any detrimental impacts associated with development by requiring new construction to avoid hazardous areas and materials and/or provide adequate mitigation. This element also intends to safeguard public health by ensuring adequate water quality, and by minimizing noise impacts.

The City's building division continues to implement the geohazard regulation. The Public Health and Safety Element, which includes the state mandated noise and safety element, was updated in the 2001 General Plan.

Goal and Action Item Update

The following is a brief description of individual goals and action items listed in the General Plan, which experienced notable activity during FY2004-2005.

Goal 4 (Page 99) calls for the least possible damage to persons and property from flooding. Action 4.7 (Page 101) calls for the City to establish an early warning protocol to alert persons within the dam failure inundation zone. The City's office of Emergency Services is preparing to work in partnership with the Santa Clara Valley Water District to develop this protocol.

Regional Coordination

The Regional Coordination element outlines ways for the City of Morgan Hill to participate effectively in planning for growth in the surrounding regions. Close coordination with neighboring and regional agencies is necessary to ensure that future development of adjacent areas is appropriate and occurs in a phased, efficient manner that will help Morgan Hill retain its distinct character.

The regional coordinated goals include:

1. Balanced urban growth in South County;
2. Limited, appropriate urbanization of unincorporated San Martin;
3. Efficient, stable growth of the South County;
4. An effective, productive South County Joint Planning Advisory Committee.

Goal and Action Item Update

The following is a brief description of individual goals and action items listed in the General Plan, which experienced notable activity during FY2004-2005 and FY2005-2006

Goal 3 (Page 115) calls for effective, stable growth of the South County. Action Item 3.1 calls for joint meetings with the staff of Gilroy, the County, School District and staff of the City of San Jose to determine the impacts of the development of Coyote Valley on the South County and to recommend appropriate responses for each jurisdiction. The City is currently discussing the impacts of Coyote Valley development through South County Stakeholder meetings.

Goal 5 (Page 117) calls for an effective and productive South County Joint Planning Advisory Committee. Much of the policies for this element derive from the South County Joint Area Plan. The South County Joint Planning Advisory Committee is made up of three jurisdictions: Morgan Hill, Gilroy, and Santa Clara County. This body has agreed to identify common transportation issues and work on them together as well address regional transportation issues through 2030. The three jurisdictions are also working with the Valley Transportation Agency (VTA) on a South County Circulation Study, which will examine how the number of commuters from San Benito, Merced, Santa Cruz and Monterey Counties contribute to the traffic in South County.

An elected official from the City is also appointed to serve on a VTA Policy Advisory Board for South County Highways and Road. This Board also confers with the San Benito Council of Governments, which operates under a Memorandum of Understanding to assist with regional coordination of transportation. This group meets quarterly to address issues that pertain to the greater regional area.

Housing Element

The Housing Element under the California Government Code Section 65583 is a document of the City's goals, policies, quantified objectives and scheduled programs for the preservation, improvement and development of housing. The State of California has provided its findings to the Community Development Department on the draft housing element in order to enable the City to meet the statutory requirements of the State's housing element law. Community Development staff is working to incorporate the State's findings into the housing element. Completion of the draft housing element is anticipated in FY06/07. Staff from the Community Development Department are also working on updating the City's Subdivision Ordinance.

CONCLUSION/RECOMMENDATIONS

The General Plan identifies actions that need to be implemented in order to meet the General Plan's goals. For Fiscal Year 2004-2005 and 2005-2006, 71 high priority actions were identified. These actions are attached as Table A to this report. The table lists the actions, department responsible for the actions, and the status. Thus far, 41% or 33 actions are complete, 32 of the actions are in progress, and 6 are scheduled as part of future work plans.

Overall, the implementation of the City's General Plan is progressing in a satisfactory manner. All elements of the General Plan were updated in 2001 except for the Housing Element and the Regional Coordination element. The Housing Element has been updated, but is currently being reviewed by the state for certification. The attached table lists the high priority General Plan Action items for Fiscal Year 2004-2005. All the action items listed have been completed, are in progress, or will commence soon.

Attachments:

1. Table A-General Plan Implementation Program High Priority Actions

Table A
High Priority Actions
General Plan Implementation Program
FY04-05 & FY 05-06
Status Report

GENERAL PLAN ACTION		Duty	Priority	Status
<u>Community Development Element</u>				
Actions				
1.1	Amend City ordinances, programs and plans (e.g., zoning, parking, capital improvements) to conform to amendments or revisions to the policies of the Community Development Element.	CD CA	H	Underway- Anticipated Completion of Zoning Ordinance & Design Review Ordinance Update in FY05-06
5.3	Work with Santa Clara County to reach consensual agreement regarding the expansion of the city's urban area and permanent preservation of greenbelts in unincorporated areas surrounding the city.	CD	H <i>GS</i>	Completed - Urban Limit Line Study
7.1	Expand the Multi-Family Low residential land use designation to allow development of detached units based on design and development criteria intended to limit visual impact (e.g., floor-area ratio, single story, mass of garages, etc.), and limit the number of small-lot detached units in a given project to a small proportion (e.g., less than 25%) of overall units.	CD	H <i>ZO</i>	Currently being implemented
7.3	The portion of the 65-acre development located between the Union Pacific Railway and Hale Avenue, south of Tilton Avenue which is planned for multi-family development shall be buffered from view from Hale Avenue by a row of single family homes developed on lots of a minimum 9,000 square feet in size.	CD	H	Complete
8.1	Develop mechanisms to ensure a variety of building configurations in all multi-family areas.	CD	H <i>ZO</i>	Underway - Zoning Ordinance & Design Review Ordinance Update

<u>Community Development Element</u>				
Actions				
8.2	Develop, adopt and enforce design standards for residential neighborhoods, providing for special design themes, signage, and roadway and sidewalk materials, and other methods of strengthening neighborhood identity.	CD CA	H <i>DRO</i>	Underway – Community Development staff preparing Architectural Handbook
9.1	Provide for a variety of commercial, office and industrial use categories in the Zoning Ordinance.	CD CA	H <i>ZO</i>	Underway - Zoning Ordinance & Design Review Ordinance Update
9.2	Update the Zoning Ordinance to specify appropriate levels of non-retail development at major intersections and appropriate levels of retail development along Monterey Road between the retail commercial nodes.	CD	H <i>ZO</i>	Underway - Zoning Ordinance & Design Review Ordinance Update
9.4	Amend the Zoning Ordinance to create acceptable standards by which auto-related uses may be allowed on Monterey Road, between Wright Avenue and Old Monterey Road.	CD	H <i>ZO</i>	Underway - Zoning Ordinance & Design Review Ordinance Update
9.6	Amend the Zoning Ordinance, as necessary, to preserve a site east of Highway 101 and north of Cochrane Road for a grocery store.	CD CA	H	Completed – Council Approval of Zoning Amendment for Grocery Store.
9.7	Amend the Zoning Ordinance to prohibit convenience commercial uses in residential neighborhoods.	CD CA	H <i>ZO</i>	Underway - Zoning Ordinance & Design Review Ordinance Update
9.8	Amend development and building standards as necessary to facilitate commercial re-use of older home, on Monterey Road north of Main Avenue.	CD	H <i>ZO</i>	Underway - Zoning Ordinance & Design Review Ordinance Update
9.9	Amend the Zoning Ordinance to prohibit auto sales in the Service Commercial designation along northern Monterey Road.	CD CA	H <i>ZO</i>	Underway - Zoning Ordinance & Design Review Ordinance Update
10.1	Reserve land at the northeast Cochrane and southwest Tennant freeway interchanges for sub-regional retail uses with appropriate designations on the Land Use Map.	CD	H <i>ZO</i>	Complete

<u>Community Development Element</u>				
Actions				
10.3	Identify preliminary design criteria and improvements needed for the staged development of a sub-regional commercial center.	CD	H ZO	Completed as Part of DiNapoli Project
10.4	Prepare a general set of standards, criteria and incentives for potential developers that identifies an appropriate process and schedule for the development of a sub-regional center.	CD BAHS	H ZO	Underway - working with developers from each area
10.5	Amend the Zoning Ordinance to require ancillary commercial uses, such as fast-food restaurants and service stations, on lands around interchanges to be part of larger developments.	CD CA	H ZO	Underway - Zoning Ordinance & Design Review Ordinance Update
11.6	Amend the Zoning Ordinance to create acceptable standards by which industrial or office commercial uses may be established on the property located on the east side of Monterey Road south of the Union Pacific train trestle. Such standards shall recognize the significance of this portion of Monterey Road as the northerly entrance to downtown the necessary limitations on use due to its single point of access.	CD CA	H ZO	Underway - Zoning Ordinance & Design Review Ordinance Update
12.1	Develop, adopt and enforce Design Standards for all commercial, industrial, and residential areas in order to provide a high quality environment and to attract desired types of businesses in specific locations. The design standards should address issues such as setbacks, building design and articulation, landscaping, parking and signage.	CD	H <i>DRO</i>	Underway - Zoning Ordinance & Design Review Ordinance Update
13.2	Review the downtown commercial land use category and associated zoning categories to ensure that they promote pedestrian-oriented retail uses, including by requiring offices to be located away from Monterey Road or on upper floors along Monterey Road.	CD BAHS	H <i>DP</i>	Complete - Downtown Plan
13.3	Review the General Plan and Zoning to ensure that there is adequate land available for an appropriate mix of activities downtown.	CD	H <i>DP</i>	Complete - Downtown Plan

<u>Community Development Element</u>				
Actions				
13.4	Review the proposed Third Street pedestrian mall for possible redesign to increase its attractiveness or usefulness to pedestrians.	CD	H <i>DP</i>	Complete - Downtown Plan; City has received a grant to improve Depot street and encourage trips from Caltrain station to downtown via Third Street. City will apply for grant for Third Street improvements in 2006
13.6	In updating the Downtown Design Plan, include an evaluation of parking needs and consider appropriate residential densities and building heights for the downtown.	CD	H <i>DP</i>	Underway-parking plan for downtown is in development by the Planning Division
13.8	Review and revise as necessary the budget for maintaining downtown streetscape improvements.	BAHS PW	H	Implementing Downtown Plan, traffic calming and Depot Street improvements
13.9	Use the Residential Development Control System to foster residential uses above commercial uses.	CD	H <i>ZO</i>	Completed through Measure C
14.1	Develop and implement designs for public improvements at the key gateways to Morgan Hill including: Madrone area north of Cochrane Road, the Cochrane Road / Monterey Road intersection, Monterey Road south of Watsonville Road, the Caltrain station and freeway interchanges at Cochrane, Dunne and Tennant.	CD BAHS	H <i>DRO</i>	Underway - Zoning Ordinance & Design Review Ordinance Update
14.2	Develop, adopt and enforce Gateway Design Standards which set forth specific site, landscaping, architectural, and sign design standards for private development at and around the gateways to the community.	CD	H <i>DRO</i>	Underway - Zoning Ordinance & Design Review Ordinance Update

<u>Community Development Element</u>				
Actions				
14.3	Work with CalTrans and Union Pacific to improve the appearance of the railroad overcrossing (a secondary gateway to the city) and land along the railroad.	PW	H	Complete
16.3	Identify and adopt a set of service standards for major public facilities and services (roads, police, fire, sewer, water, drainage) that identify accepted service standards for development in Morgan Hill.	PW PD CM	L H	Identification of service levels is anticipated result of Community Conversation
17.1	Store duplicate records of utility systems in emergency operations centers for continuing operations and repairs of vital services in the event of a disaster.	PW	H	Complete
17.2	Evaluate the emergency operations center for seismic vulnerability, and modify its design as necessary to assure the continuity of vital services following a damaging earthquake.	CD	H	Complete
17.4	Ensure that a sufficient supply of appropriately located vacant land is planned and zoned for medical services.	CD	H	Complete
17.5	Assist in the formation of a healthcare foundation charged with developing and implementing an action plan for attracting physicians and other medical services, and with establishing an acute care hospital in the City.	CM	H	Complete
17.7	Consider strengthening Fire and Police standards in Chapter 18.78 of the Municipal Code.	PD CM	H	Completed through Measure C

<u>Community Development Element</u>				
Actions				
17.8	<p>Develop and adopt a Public Safety Master Plan that includes three specific elements addressing Fire, Police and Emergency Medical Services to ensure that the City has adequately planned for the construction and maintenance of public safety services.</p> <ul style="list-style-type: none"> The Fire Protection Element of the Public Safety Master Plan shall address the need for, timing and location of future fire stations, methods for providing preferred levels of service, and fire prevention programs. The Police Service Element of the Public Safety Master Plan shall address police staffing levels, performance standards, and the need for and location of additional police facilities. The Emergency Medical Element of the Public Safety Master Plan shall address paramedic response and its relationship to fire protection responders.17.7 	<p>CM</p> <p>PD</p> <p>CM</p>	<p>H</p> <p>H</p> <p>H</p>	<p>Complete - Fire and Emergency Medical Services Master Plan</p> <p>New Police Station opened in July 2004</p> <p>Complete - Fire and Emergency Medical Services Master Plan; Emergency response time remained steady with first unit arriving within 4.5 minutes</p>
17.9	Until such time as there is an acute care hospital operating in the City, ensure that there is at least one vacant site of 10 to15 acres in size which is zoned to allow that use.	CD	H	Complete
17.10	Amend the Zoning Ordinance, as necessary, to ensure that medical facilities are allowed within industrial zoning districts.	CD CA	H ZO	Underway - Zoning Ordinance & Design Review Ordinance Update
18.9	Develop business plans for new sports parks and special use facilities that address management structure, potential partnerships, long-term operations and maintenance costs and potential for cost recovery through user fees and other means.	REC BAHS	H	Underway-Council approval of partnership between City and YMCA to operate Indoor Recreation Center

<u>Community Development Element</u>				
Actions				
18.13	Enhance the City's role as a center of information for community recreation programs provided by the City and other recreation providers.	REC	H	Ongoing
18.16	Incorporate guidelines for the design and development of future HOA parks into the design review process. (These guidelines are included in the Parks, Facilities and Recreation Programming Master Plan.)	CD	H <i>DRO</i>	Underway -Zoning Ordinance & Design Review Ordinance Update
18.19	Encourage establishment of a non-profit foundation to support parks and recreation facilities and programs.	REC	H	Completed through support of formation of Morgan Hill Community Foundation
18.20	Establish operations and maintenance cost-recovery goals for various facilities and programs. Establish which types of programs should be self-supporting, and which programs may be partially subsidized by the City. Coordinate user fee schedules with MHUSD so that School District and City facilities have consistent user fees.	REC FIN	H	Complete
18.21	Enhance scholarship programs to assist with program fees and equipment costs for low-income youth.	REC	H	Underway- Partnership with YMCA will enhance scholarship program
20.1	Update the Sewer Master Plan to reflect changes to the General Plan.	PW	H	Complete
21.1	Update the Water Master Plan to reflect changes to the General Plan.	PW	H	Complete
21.2	Review the tiered system for water rates to ensure that it encourages conservation without unduly burdening local residents.	PW	H	Complete
22.1	Update the Drainage Master Plan to reflect changes to the General Plan.	PW	H	Complete

<u>Economic Development Element</u>				
Actions				
1.2	Provide businesses with financial and non-financial assistance, as appropriate, pursuant to the City's Business Assistance Guidelines.	BAHS	H	Ongoing
1.3	Develop a biennial strategy that details the City's proactive approach to business attraction and retention that identifies the specific industries toward which efforts will be targeted.	BAHS	H	Complete
1.4	Develop and maintain business assistance programs, such as development fee deferral, commercial improvement loans and façade grants to facilitate development of targeted areas including downtown, as appropriate.	BAHS	H	Ongoing – City has implemented façade improvement grants, development fee deferral, and commercial improvement loans on a case by case basis
1.8	Identify appropriate locations and provide incentives for attracting one or more major catalyst tenants (e.g., offices, retail) to the downtown.	BAHS	H	Ongoing

<u>Circulation Element</u>				
Actions				
1.1	Develop techniques for ensuring that right-of-way is available at appropriate times and locations to accommodate traffic conditions associated with an 8-lane configuration for Highway 101.	CD PW	H	Underway – City working with CalTrans to complete a PSR/PR to prepare for an application for grant funds for improvements at the Tennant and 101 interchange
3.15	Designate residential properties fronting on Dunne Avenue as Planned Residential Development in order to maximize the potential for improved landscaping and design.	CD	H ZO	Complete
3.18	In cooperation with the County, determine what traffic facilities are needed south of Tennant Avenue and the Hill Road area.	CD PW	H	Underway – South County Circulation Study
3.21	Evaluate the feasibility of developing Murphy Avenue as a two lane Arterial or Collector street. The evaluation should assess as two alternatives, the potential of designating Condit Road an Arterial street and reducing land use intensities in the area served by Murphy Avenue and Condit Road.	CD PW	H	Underway – South County Circulation Study
7.3	Establish a development review checklist for use by City staff to evaluate development applications and their consistency with the Bikeways Master Plan, including bicycle parking facilities and off-site improvements where appropriate, such as roadway striping, signage and intersection improvements.	PW	H	Complete

<u>Open Space and Conservation Element</u>				
Actions				
2.1	Work with the County and San Jose to develop a plan for a greenbelt along the expected edge of the urbanized area of the city within two years of adoption of this General Plan action.	CD	H GS	Completed through Urban Limit Line Study except for SE quadrant of Tennant Avenue east of 101; Area to be studied for industrial land market analysis
2.2	The Greenbelt Plan shall include a comprehensive planning effort to evaluate appropriate land uses in the rural County areas surrounding the city. The plan shall specifically evaluate the potential for an industrial park south east of the Tennant Avenue, Highway 101 interchange.	CD	H GS	Completed through Urban Limit Line Study, plus potential for industrial park in SE quadrant of Tennant Avenue east of 101 currently being evaluated
2.3	In conjunction with the Greenbelt Plan, investigate the need to modify the UGB and/or SOI to support establishment of a permanent greenbelt.	CD	H GS	Complete
2.4	Use a variety of tools to create a greenbelt, including public acquisition, land use regulation, urban development policy, and economic incentives to landowners, open space easements, transfer of development rights, planned cluster development, assessment districts, and dedication of additional lands upon development.	CD	H GS	Line/Green Belt Study Adopted April 2006 Green Belt Study Implementation ongoing

<u>Open Space and Conservation Element</u>				
Actions				
2.8	Work with Gilroy and Santa Clara County to establish and preserve a defined, permanent greenbelt between Morgan Hill and Gilroy, containing such land uses as low-density rural residential, agricultural activities, and recreation areas. (SCJAP 16.15)	CD	H GS	Urban Limit Line/Green Belt Study Adopted April 2006Green Belt Study Implementation ongoing
2.9	Work with San Jose and Santa Clara County to establish and preserve a defined, permanent greenbelt between Morgan Hill and San Jose in the southern Coyote Valley, comprised of agricultural uses, rural estates, and the Coyote Park chain. (SCJAP 16.13 &16.14)	CD	H GS	Urban Limit Line/Green Belt Study Adopted April 2006Green Belt Study Implementation ongoing Working with City of San Jose on South Coyote Valley Green Belt
2.10	Work with Gilroy and Santa Clara County to implement plans for the preservation of greenbelts between the cities. (SCJAP 16.22)	CD	H GS	Completed - Urban Limit Line Study
5.1	Develop Design Guidelines provisions for preserving, reclaiming and incorporating riparian features into development.	CD	H DRO	Underway - Zoning Ordinance & Design Review Ordinance Update
6.1	Develop Design Guidelines provisions requiring construction activities to avoid disturbance to natural features to the extent feasible.	CD	H DRO	Underway - Zoning Ordinance & Design Review Ordinance Update
7.2	In cooperation with PG&E, subject all municipal buildings to an energy audit and perform practicable energy conservation alterations on municipal buildings. Such alterations can include modifying automatic heating and cooling systems, lighting, installation of natural ventilation methods and solar hot water systems, etc.	CM	H	Complete
7.5	Emphasize energy conservation building techniques for new residential construction through the implementation of Chapter 18.78 of the Municipal Code.	CD	H	Ongoing

<u>Public Health and Safety Element</u>				
Actions				
7.4	Amend the Zoning Ordinance to reflect noise limits intended to protect noise sensitive land uses from intrusion by stationary noise sources.	CD CA	H ZO	Underway - Zoning Ordinance & Design Review Ordinance Update

<u>Regional Coordination Element</u>				
Actions				
5.1	Provide the South County Joint Planning Advisory Committee with a list of concerns regarding South County Joint Area Plan policies that should be updated.	CD	H	Complete (no action taken by Committee)

Priorities

- H (High Priority), FY 2004-2005 & 2005-2006

Other Abbreviations

- *DP* Downtown Plan Update
- *DRO* Design Review Ordinance Update
- *GS* Greenbelt Study
- *HE* Housing Element Update
- *ZO* Zoning Ordinance Update



CITY COUNCIL STAFF REPORT

MEETING DATE: *June 7, 2006*

RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDSCS) 2006 QUARTERLY REPORT #1

RECOMMENDED ACTION(S):

Accept and File the RDSCS First Quarter Report for 2006

EXECUTIVE SUMMARY:

In accordance with Section 18.78.150 of the Municipal Code, the Community Development Department is required to review, on a quarterly basis, each proposed development which has received a Residential Development Control System (RDSCS) allotment. The purpose of this review is to determine whether satisfactory progress is being made with processing of the appropriate plans with the Community Development Department.

The majority of the residential projects are proceeding according to approved development schedules. The following projects are classified as BEHIND SCHEDULE: E. Main-Thrust/Marrad (MC-04-19), Jarvis-South Valley Developers (MC-04-22), Church-Alcini (MC-04-15), Del Monte-Giovanni (MC-04-05), Ginger-Custom One (MMC-04-07) and E. Dunne-Kruse (MMC-04-10). These projects are in process and currently undergoing environmental review. The development schedules will be adjusted prior to Development Agreement approval.

During the first quarter monitoring period, RDSCS projects have secured 11 additional building permits and completed construction of 80 homes.

By a vote of 6-0-1, the Commission approved the Quarterly Report by minute action and recommended the same by the Council. A copy of the 1st Quarterly Report for 2006 and the minutes of the April 25, 2006 Planning Commission meeting are attached for the Council's reference.

FISCAL IMPACT:

Preparation of this report was accomplished with monies from the Community Development Fund.

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Agenda Item #4

Prepared By:

Planning Technician

Approved By:

**Kathy Molloy Previsich
Director of Community
Development**

Submitted By:

**J. Edward Tewes, City
Manager**

RDACS PROJECTS - FISCAL YEAR 1994-95 ALLOTMENT

PROJECT & FILE #	ALLOCATION DATE	# OF UNITS	PERMITS PULLED	UNITS FINALED	DATE OF MOST RECENT ACTION/ENTITLEMENT	NEXT STEP/DEADLINE
Villanova 1 (MP-93-08) San Pedro-Barton	3/24/92	6	0	0	2Q/03-Planning Commission reserved 6 allotments for FY 2004-05	3/1/04-Apply for "partially completed" allotments for 2004/05
TOTALS		6	0	0		

RDACS PROJECTS - FISCAL YEAR 1999-2000 ALLOTMENT

PROJECT & FILE #	ALLOCATION DATE	# OF UNITS	PERMITS PULLED	UNITS FINALED	DATE OF MOST RECENT ACTION/ENTITLEMENT	NEXT STEP/DEADLINE
Christeph-Kosich (MMP-99-04)	4/27/99	1	1	0	1Q/05-pulled 1 permit	Complete construction
TOTALS		1	1	0		

RDACS PROJECTS - FISCAL YEAR 2000-01 ALLOTMENT

PROJECT & FILE #	ALLOCATION DATE	# OF UNITS	PERMITS PULLED	UNITS FINALED	DATE OF MOST RECENT ACTION/ENTITLEMENT	NEXT STEP/DEADLINE
Berkshire-Singh (MMP-00-01)	4/25/00	3	3	0	1Q/06-ARB subcommittee approved changes to 2 units	Complete construction
TOTALS		3	3	0		

RDACS PROJECTS - FISCAL YEAR 2001-02 ALLOTMENT

PROJECT & FILE #	ALLOCATION DATE	# OF UNITS	PERMITS PULLED	UNITS FINALED	DATE OF MOST RECENT ACTION/ENTITLEMENT	NEXT STEP/DEADLINE
Spring Manor (MP-98-17)	2/23/99	5	5	4	1Q/06-pulled 1 permit	Complete Construction
TOTALS		5	5	4		

RDCE PROJECTS - FISCAL YEAR 2002-03 ALLOTMENT

PROJECT & FILE #	ALLOCATION DATE	# OF UNITS	PERMITS PULLED	UNITS FINALED	DATE OF MOST RECENT ACTION/ENTITLEMENT	NEXT STEP/DEADLINE
Malaguerra-Ansuini (MP-99-26)	3/14/00	6	6	0	3Q/04-Pulled 6 permits	Complete construction
Nina Lane-Chen (MMP-02-01)	5/14/02	5	5	4	1Q/06-finaled 2 units, ARB subcommittee approved changes to 1 unit	Complete Construction
DeWitt-Marquez (MMP-02-02)	5/14/02	2	2	1	1Q/06-finaled 1 unit	Complete Construction
TOTALS		13	13	5		

RDCE PROJECTS - FISCAL YEAR 2003-04 ALLOTMENT

PROJECT & FILE #	ALLOCATION DATE	# OF UNITS	PERMITS PULLED	UNITS FINALED	DATE OF MOST RECENT ACTION/ENTITLEMENT	NEXT STEP/DEADLINE
Shafer-Bamdad (MP-01-07)	5/14/02	7	7	4	1Q/06-inspected 2 units	Complete construction
TOTALS		7	7	4		

RDCS PROJECTS - FISCAL YEAR 2004-05 ALLOTMENT

PROJECT & FILE #	ALLOCATION DATE	# OF UNITS	PERMITS PULLED	UNITS FINALED	DATE OF MOST RECENT ACTION/ENTITLEMENT	NEXT STEP/DEADLINE
Shafer-Bamdad (MP-01-07)	5/14/02	8	8	0	3Q/05-pulled 1 permit	Complete construction
Tilton-Glenrock/DUC (MP-02-03)	5/27/03	12	12	12	1Q/06-finaled 2 units	PROJECT COMPLETE
Tilton-Glenrock/DUC (MP-02-03)	3/23/04	24	24	21	1Q/06-finaled 11 units	Complete construction
Cory-San Pedro Ptnrs (MP-02-07)	5/27/03 & 3/23/04	17	17	14	1Q/06-finaled 4 units	Complete construction
Peet-Lupine Investors (MP-02-12)	5/27/03	22	22	22	1Q/06-finaled 10 units	PROJECT COMPLETE
Mission View-Mission Ranch (MP-02-15)	5/27/03	21	21	20	1Q/06-finaled 2 units	Complete construction
E. Central-Warmington South (MP-02-19)	5/27/03	14	14	12	1Q/06-finaled 6 units	Complete construction
Sunnyside-Quail Creek (MP-02-24)	5/27/03	14	14	6	1Q/06-finaled 1 units	Complete construction
Sunnyside-Quail Creek (MP-02-24) Supplemental Distribution	3/23/04	4	4	0	2Q/05-pulled 4 permits	Complete construction
E. Central-Central Park (MP-02-25) Supplemental Distribution	3/22/04	5	5	4	1Q/06-finaled 3 unit	Complete construction
Barrett-Ditri (MP-02-20)	5/27/03	6	6	0	2Q/05-pulled 6 permits	Complete construction
Watsonville-South County Housing (MP-02-26)	4/22/03	10	10	9	1Q/06-finaled 9 units	Complete construction
Hill-Gera (MP-02-17)	3/22/04	6	0	0	1Q/06-FM approved, building plan check in process	6/30/06-obtain building permits
DeWitt-Marquez (MMP-02-02)	5/14/02	2	2	2	1Q/06-finaled 2 units	PROJECT COMPLETE
Native Dancer-Quail Meadows (MMP-03-01)	4/22/03	2	2	1	1Q/06-pulled 1 permit	Complete construction
DeWitt-Marquez (MMP-03-02)	4/22/03	2	2	0	1Q/05-pulled 2 permits	Complete Construction
TOTALS		169	163	123		

RDCS PROJECTS - FISCAL YEAR 2005-06 ALLOTMENT

PROJECT & FILE #	ALLOCATION DATE	# OF UNITS	PERMITS PULLED	UNITS FINALED	DATE OF MOST RECENT ACTION/ENTITLEMENT	NEXT STEP/DEADLINE
Tilton-Glenrock (MP-02-03)	5/27/03	34	12	0	1Q/06-10 lot FM approved	5/30/06-Obtain building permits
Cory-San Pedro Ptnrs. (MP-02-07)	5/27/03	15	15	0	1Q/06-ELBA approved, pulled 7 permits	Complete construction
Peet-Lupine Investors (MP-02-12)	5/27/03	19	19	0	3Q/05-pulled 19 permits	Complete construction
Cochrane-Coyote Est. (MP-02-14)	5/27/03	19	19	10	1Q/06-finaled 10 units	Complete construction
Mission View-Mission Ranch (MP-02-15)	5/27/03	28	27	0	4Q/05-reassigned 1 allotment	6/30/06-Obtain building permit and commence construction
E. Central-Warmington (MP-02-19)	5/27/03	12	12	3	1Q/06-finaled 3 units	Complete construction
Sunnyside-Quail Creek (MP-02-24)	5/27/03	4	4	3	1Q/06-finaled 2 units	Complete construction
E. Central-Central Park (MP-02-25)	5/27/03	17	17	10	1Q/06-finaled 3 units	Complete construction
Barrett-Ditri (MP-02-20)	5/27/03	9	6	0	3Q/05-pulled 1 permit	BEHIND SCHEDULE 3/31/06-Obtain 3 building permits
Cochrane-Borello (MP-03-04)	4/13/04	8	0	0	1Q/06-FM approved, ELBA in process	9/1/06-Obtain building permits
E. Dunne-Delco (MP-02-06)	4/13/04	8	0	0	1Q/06-FM, ELBA, SR approved, BPC in process	5/15/06-Obtain building permits
Hill-Gera (MP-02-17)	4/13/04	3	0	0	1Q/06-FM approved, building plan check in process	6/30/06-Obtain building permits
Barrett-Odishoo (MP-02-22)	4/13/04	5	0	0	1Q/06-building plan check in process	BEHIND SCHEDULE 3/31/06-Obtain building permits
Central-South County Housing (MP-04-01)	4/13/04	9	9	9	1Q/06-finaled 9 units	PROJECT COMPLETE
Monterey-South County Housing (MP-04-02)	4/13/04	54	0	0	1Q/06-building plan check in process	4/30/06-Obtain balance of building permits
Native Dancer-Quail Meadows (MMP-03-01)	4/22/03	4	0	0	1Q/06-building plan check in process for 1 unit	6/30/07-Building plan submittal due
DeWitt-Marquez (MMP-03-02)	4/22/01	1	1	0	3Q/05-pulled 1 permit	Complete construction
DeWitt-Latala (MMP-03-06)	4/13/04	3	3	0	1Q/06-FM approved, pulled 2 permits	Complete construction
TOTALS		252	144	35		

RDCS PROJECTS - FISCAL YEAR 2006-07 ALLOTMENT

PROJECT & FILE #	ALLOCATION DATE	# OF UNITS	PERMITS PULLED	UNITS FINALED	DATE OF MOST RECENT ACTION/ENTITLEMENT	NEXT STEP/DEADLINE
Tilton-Glenrock (MP-02-03)	5/27/03	20	0	0	4Q/05-DAA approved	7/30/06-FM submittal due
Peet-Lupine Investors (MP-02-12)	5/27/03	12	0	0	4Q/05-FM in process	6/30/06-BP submittal due
Peet-Lupine Investors (MC-04-25)	3/1/05	18	0	0	4Q/05-FM in process	3/31/06-BP submittal due
Cochrane-Coyote Est. (MP-02-14)	5/27/03	20	0	0	1Q/06-FM approved	9/30/06-Obtain building permits
Mission View-Mission Ranch (MP-02-15)	5/27/03	16	0	0	1Q/06-FM in approved	9/30/06-Obtain building permits
Mission View-Mission Ranch (MC-04-26)	3/1/05	18	0	0	3Q/05-SD, DA approved	7/30/06-FM submittal due
Cochrane-Borello (MP-03-04)	4/13/04	7	0	0	1Q/06-FM approved	6/30/06-Building plan submittal due
Wright-Dividend (MP-04-27)		6	0	0	1Q/06-ZA, SD, DA, SR approved	6/28/06-FM submittal due
E. Dunne-Delco (MC-04-12)	3/1/05	13	0	0	1Q/06-SR, ELBA, FM approved, building plan check in process	9/30/06-Obtain building permits
Barrett-Odishoo (MC-04-13)	3/1/05	13	0	0	4Q/05-ZA, SD, DA, SR approved, FM in process	7/30/06-FM submittal due
Central-Delco/Hu (MC-04-14)	3/1/05	19	0	0	1Q/06-ZA,SD,DA approved, FM in process	7/30/06-Building plan submittal due
E. Main-Thrust (MC-04-19)	3/1/05	13	0	0	2Q/05-ZA,SD, DA in process	BEHIND SCHEDULE 2/1/06-FM submittal due
Jarvis-South Valley Developers (MC-04-22)	3/1/05	36	0	0	4Q/05-ZA, SD, DA in process	BEHIND SCHEDULE 2/1/06-FM submittal due
Church-Alcini (MC-04-15)	3/1/05	14	0	0	3Q/05-ZA,SD, DA in process	BEHIND SCHEDULE 2/1/06-FM submittal due
Del Monte-Giovanni (MMC-04-05)	3/1/05	6	0	0	3Q/05-SD,DA in process	BEHIND SCHEDULE 2/1/06-FM submittal due
San Pedro-Ahmadi (MMC-04-06)	3/1/05	1	0	0	1Q/06-ZA,SD,DA approved	5/30/06-FM submittal due
Ginger-Custom One (MMC-04-07)	3/1/05	5	0	0	3Q/05-SD,DA in process	BEHIND SCHEDULE 2/1/06-FM submittal due
E. Dunne-Kruse (MMC-04-10)	3/1/05	3	0	0	3Q/05-SD, DA in process	BEHIND SCHEDULE 2/1/06-FM submittal due

Depot-The Granary (MC-05-12)	2/14/06	6	0	0	2/14/2006-allotments awarded	9/1/06-SD,DA,SR submittals due
Monterey-Gunter (MC-05-03)	2/14/06	4	0	0	2/14/2006-allotments awarded	9/1/06-SD,DA,SR submittals due
TOTALS		250	0	0		

RDCS PROJECTS - FISCAL YEAR 2007-08 ALLOTMENT

PROJECT & FILE #	ALLOCATION DATE	# OF UNITS	PERMITS PULLED	UNITS FINALED	DATE OF MOST RECENT ACTION/ENTITLEMENT	NEXT STEP/DEADLINE
San Pedro-Alcini (MP-04-17)	3/1/05	4	0	0	3/1/05-allotments awarded	9/1/06-SD, ZA, DA submittals due
Wright-Dividend (MC-04-27)	3/1/05	9	0	0	1Q/06-ZA, DA, SD, SR approved	6/28/06-FM submittal due
Tilton-Glenrock (MP-02-03)	3/1/05	15	0	0	4Q/05-DAA approved	7/30/07-FM submittal due
E. Dunne-Delco (MC-04-12)	3/1/05	5	0	0	1Q/06-ELBA, SR approved	7/30/07-FM submittal due
Barrett-Odishoo-MC-04-13)	3/1/05	5	0	0	4Q/05-SR approved	7/30/07-FM submittal due
Central-Delco/Hu (MC-04-14)	3/1/05	5	0	0	1Q/06-ZA,SD,DA approved	2/1/07-FM submittal due
E. Main-Thrust (MC-04-19)	3/1/05	5	0	0	2Q/05-ZA,SD, DA in process	2/1/07-FM submittal due
Jarvis-South Valley Developers (MC-04-22)	3/1/05	13	0	0	4Q/05-ZA,SD,DA in process	2/1/07-FM submittal due
Peet-Lupine Investors (MC-04-25)	3/1/05	6	0	0	3Q/05-SD, DA approved	2/1/07-FM submittal due
Mission View-Mission Ranch (MC-04-26)	3/1/05	15	0	0	3Q/05-SD, DA approved	7/30/07-FM submittal due
Barrett-Syncon (MC-04-21)	3/1/05	13	0	0	4Q/05-ZA, SD, DA in process	2/1/07-FM submittal due
Diana-Chan (MC-04-04)	3/1/05	13	0	0	3/1/05-allotments awarded	9/1/06-ZA, SD, DA submittal due
Taylor-Murray (MMC-04-09)	3/1/05	2	0	0	3/1/05-allotments awarded	9/1/06-ZA, SD, DA submittal due
Depot-Granary (MC-05-12)	2/14/06	6	0	0	2/14/06-allotments awarded	9/1/06-ZA, SD, DA submittal due
Jarvis-South County Housing (MC-05-02)	2/14/06	54	0	0	2/14/06-allotments awarded	9/1/06-ZA, SD, DA submittal due
Monterey-Alcini (MC-05-05)	2/14/06	30	0	0	2/14/06-allotments awarded	9/1/06-ZA, SD, DA submittal due
E. Main-Ahlin (MC-05-06)	2/14/06	50	0	0	2/14/06-allotments awarded	9/1/06-ZA, SD, DA submittal due
TOTALS		250	0	0		

RDCS PROJECTS - FISCAL YEAR 2008-09 ALLOTMENT

PROJECT & FILE #	ALLOCATION DATE	# OF UNITS	PERMITS PULLED	UNITS FINALED	DATE OF MOST RECENT ACTION/ENTITLEMENT	NEXT STEP/DEADLINE
San Pedro-Alcini (MP-04-17)	4/6/05	8	0	0	4/6/05-allotments awarded	9/1/06-SD, ZA, DA submittals due
Tilton-Glenrock (MP-02-03)	4/6/05	15	0	0	3Q/05-DAA in process	7/30/08-FM submittal due
E. Dunne-Delco (MC-04-12)	4/6/05	8	0	0	3Q/05-ZA, DA, SD approved, SR & FM in process	7/30/08-FM submittal due
Barrett-Odishoo-MC-04-13)	4/6/05	13	0	0	4Q/05-SR approved	7/30/08-FM submittal due
Central-Delco/Hu (MC-04-14)	4/6/05	15	0	0	3Q/05-SA,SD,DA in process	9/1/06-SR submittal due
E. Main-Thrust (MC-04-19)	4/6/05	8	0	0	2Q/05-ZA,SD, DA in process	9/1/06-SR submittal due
Jarvis-South Valley Developers (MC-04-22)	4/6/05	15	0	0	4Q/05-ZA, SD, DA in process	2/1/08-FM submittal due
Peet-Lupine Investors (MC-04-25)	4/6/05	12	0	0	3Q/05-SD, DA approved	3/31/08-building plan submittal due
Mission View-Mission Ranch (MC-04-26)	4/6/05	15	0	0	3Q/05-SD, DA approved	7/30/08-FM submittal due
Barrett-Syncon (MC-04-21)	4/6/05	5	0	0	4Q/05-ZA, SD, DA in process	2/1/07-FM submittal due
Diana-Chan (MC-04-04)	4/6/05	5	0	0	4/6/05-allotments awarded	9/1/06-SD, ZA, DA submittals due
Taylor-Murray (MMC-04-09)	4/6/05	3	0	0	3/1/05-allotments awarded	9/1/06-ZA, SD, DA submittals due
Monterey-Sherman House (MC-05-04)	2/14/06	7	0	0	2/14/06-allotments awarded	9/1/07-ZA, SD, DA submittals due
Monterey-Gunter (MC-05-03)	2/14/06	1	0	0	2/14/06-allotments awarded	9/1/06-ZA, SD, DA submittal due
Jarvis-South County Housing (MC-05-02)	2/14/06	41	0	0	2/14/06-allotments awarded	9/1/06-ZA, SD, DA submittal due
E. Central-Urban Housing (MC-05-09)	2/14/06	12	0	0	2/14/06-allotments awarded	9/1/07-ZA, SD, DA submittals due
Diana-EAH (MC-05-08)	2/14/06	10	0	0	2/14/06-allotments awarded	9/1/07-ZA, SD, DA submittals due
E. Main-Ahlin (MC-05-06)	2/14/06	43	0	0	2/14/06-allotments awarded	9/1/06-ZA, SD, DA submittal due
E. Third-Glenrock (MC-05-11)	2/14/06	14	0	0	2/14/06-allotments awarded	9/1/07-ZA, SD, DA submittals due
TOTALS		250	0	0		

RDCS PROJECTS - FISCAL YEAR 2009-10 ALLOTMENT

PROJECT & FILE #	ALLOCATION DATE	# OF UNITS	PERMITS PULLED	UNITS FINALED	DATE OF MOST RECENT ACTION/ENTITLEMENT	NEXT STEP/DEADLINE
Monterey-Gunter (MC-05-03)	3/1/06	10	0	0	3/1/06-allotments awarded	9/1/06-ZA, SD, DA submittal due
E. Central-Urban Housing (MC-05-09)	3/1/06	37	0	0	3/1/06-allotments awarded	9/1/07-ZA, SD, DA submittals due
Diana-EAH (MC-05-08)	3/1/06	70	0	0	3/1/06-allotments awarded	9/1/07-ZA, SD, DA submittals due
E. Main-Ahlin (MC-05-06)	3/1/06	6	0	0	3/1/06-allotments awarded	9/1/06-ZA, SD, DA submittal due
E. Third-Glentrock (MC-05-11)	3/1/06	43	0	0	3/1/06-allotments awarded	9/1/07-ZA, SD, DA submittals due
TOTALS		166	0	0		

GRAND TOTALS FOR ALL RDCS PROJECTS (Through 2008-09)	1372	336	171		
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Note: For calendar year 2006 YTD (including non-RDCS projects), permits for 27 units have been pulled, 85 units were finaled and 3 units were demolished.



CITY COUNCIL STAFF REPORT

MEETING DATE: June 7, 2006

TITLE: AGREEMENT BETWEEN THE CITY AND INDEPENDENCE DAY, INC. TO CO-SPONSOR THE JULY FOURTH CELEBRATIONS

RECOMMENDED ACTION(S):

Upon reception of a signed agreement from Independence Day Inc. (IDI), authorize the City Manager to sign the co-sponsorship agreement on behalf of the City.

EXECUTIVE SUMMARY: In recent years, the City Council has directed staff to negotiate an agreement with Independence Day Inc. (IDI), to co-sponsor the July Fourth Celebrations. These events include the Golf Tournament, the July 3rd Patriotic Sing and Street Dance, as well as the July 4th 5K Run, Parade, afternoon Family Festival and evening Fireworks Display. In return, I.D.I. agrees to name the City as a co-sponsor in promoting all of these events. Attached is the agreement for 2006, in which the City will provide supplementary insurance coverage for all of the named events. The City will contribute a combination of funding and in-kind services not to exceed \$ 25,000.00.

This year the City plans to appropriate \$ 11,000.00 in cash contribution from the community promotions budget for the July Fourth event. The City will also allow for an in-kind contribution of services to be determined based on costs associated with police and public works participation in the event. Police, Public Works and Recreation Department costs associated with this year's event are preliminarily estimated at approximately \$13,000.00 based on salary adjustment estimates.

Last year the City provided I.D.I with a total cash and in-kind contribution of approximately \$25, 000.00. Included in this amount the City provided cash contributions estimated at \$11,000.00 to support other costs incurred by I.D.I. These service costs included; Santa Clara County Fire Department services, private security services to supplement police services, ABC licenses, fencing and other items that were required to produce a public event.

The actual agreement for the July 4, 2006, event will be similar to the past agreements and will call for:

1. The Patriotic Sing, the 5k Run, the Parade, the Downtown Family Festival and the evening Fireworks Display, which will again be held at Community Park.
2. Upon approval of the agreement, the City will provide a cash advance to I.D.I. of \$11,000.00.
3. IDI must provide a City approved insurance as part of the agreement
4. After submission of financial reports and all City established reporting requirements by I.D.I. no later than August 9, 2006, within 10 days the City shall provide I.D.I. the balance remaining between the total contribution, less the cash advance and the value of the actual City in-kind services which were provided.

FISCAL IMPACT: Co-sponsorship of the July Fourth Celebrations is included in the FY 06-07 General Fund Community Promotions budgets (010-1220). The total City contribution is estimated at approximately \$25,000.00 for this year's event.

Agenda Item # 5

Prepared By:

Joe G. Sampson
Commander

Approved By:

Chief of Police

Submitted By:

City Manager



CITY COUNCIL STAFF REPORT

MEETING DATE: JUNE 7, 2006

AWARD OF COYOTE CREEK TRAIL CONNECTION PROJECT

RECOMMENDED ACTION(S):

1. Award contract to Riley's Striping, Inc. for the construction of the Coyote Creek Trail Connection project in the amount of \$31,643.
2. Authorize expenditure of construction contingency funds not to exceed \$3,164.

EXECUTIVE SUMMARY:

The scope of the work for this project includes installing signing and striping for Class II and Class III bike lane facilities along Cochrane Road, Peet Road, and Morning Star, between Sutter and Malaguerra per the Plans and Specification documents.

The bid opening was held on May 18, 2006 and the bids received are as listed below. The low bidder has previously performed work for the City of Morgan Hill. Staff did perform a standard background check and received excellent referrals. Staff therefore recommends award of the contract to Riley's Striping. This project is scheduled to begin construction in late July and be completed in September 2006. Riley's Striping bid was 54% lower than the engineer's estimate of \$70,000.

<u>Contractor Name</u>	<u>Total Bid Amount</u>
Riley's Striping, Inc.	\$31,643
Chrisp Company	\$56,353

FISCAL/RESOURCE IMPACT: The total contract cost for this project is \$34,807, which includes a 10% contingency of \$3,164. The City received grant funding from the Bay Area Air Quality Management District's TFCA program for 85.91% of the total project cost up to a maximum of \$73,166. The project is currently funded under CIP project #536004 with a match of \$12,000 from the un-appropriated Street Fund Balance (202) and no additional funding is requested at this time.

Agenda Item # 6

Prepared By:

Associate Engineer

Approved By:

Public Works Director

Submitted By:

City Manager



CITY COUNCIL STAFF REPORT

MEETING DATE: JUNE 7, 2006

APPROVAL OF SUBDIVISION IMPROVEMENT AGREEMENT WITH TBI MADRONE VILLAGE, LLC APN 726-33-028

RECOMMENDED ACTION(S): Approve the attached Subdivision Improvement Agreement and authorize the City Manager to sign the agreement on behalf of the City with TBI Madrone Village, LLC (APN 726-33-028).

EXECUTIVE SUMMARY: This is a 3 lot commercial subdivision located on the northwest of corner Cochrane Road & Madrone Parkway (see location map). Subdivider has filed a Subdivision Map and supporting documents for the subdivision known as Madrone Village. The Tentative Subdivision Map was approved on December 21, 2005 by the City's Development Review Committee. A condition of approval of the Parcel Map was that certain improvements be installed by the Subdivider as shown on the approved Subdivision Improvement Plans for assessor's parcel number 726-33-028.

The developer has furnished the City with the necessary documents to complete the processing of the Parcel Map and has made provision with the City to provide bonds guaranteeing the completion of public improvements prior to recordation of the Parcel Map. Staff recommends that City Council approve the Subdivision Improvement Agreement and authorize the City Manager to sign on behalf of the City.

FISCAL/RESOURCE IMPACT:

Development review for this project is from development processing fees.

Agenda Item # 7

Prepared By:

Senior Civil Engineer

Approved By:

Public Works Director

Submitted By:

City Manager



CITY COUNCIL STAFF REPORT

MEETING DATE: *June 7, 2006*

COUNTYWIDE AB 939 IMPLEMENTATION FEE AGREEMENT

RECOMMENDED ACTION(S):

Authorize the City Manager to Execute the Agreement with the County

EXECUTIVE SUMMARY: The County has collected an AB 939 Implementation Fee on behalf of all jurisdictions within the County since July 1992. The fee was developed to provide revenues to cities for the development and implementation of AB 939 programs. The fee is currently \$3.35 per ton of waste disposed at a landfill within the County. Of this amount, \$1.50 is allocated to directly fund AB 939 waste diversion programs and \$1.85 is allocated to directly fund household hazardous waste disposal. All revenue collected by the County on the City's behalf for AB 939 programs is forwarded quarterly to the City based upon the amount of waste originating from Morgan Hill. The City uses these funds exclusively for planning, monitoring, and implementing solid waste diversion activities. The remaining funds are retained by the County and allocated for Morgan Hill residents' use of the household hazardous waste program.

The current three-year agreement expires on June 30. The County's Technical Advisory Committee for solid waste issues evaluated the current level of the fee and recommended increasing the fee by \$.37 per ton for one year in order to maintain the intended level of waste reduction and household hazardous waste management services and increase the services needed to handle the new class of mercury-laden wastes that are entering the household hazardous waste management system. The program has been charged with finding an alternative source of funds for these wastes in the following years.

The Utilities and Environment Subcommittee and staff recommend that the City Manager be authorized to execute the attached Countywide AB 939 fee agreement. The City Attorney has reviewed and approved the document.

FISCAL/RESOURCE IMPACT: Revenue from the Countywide fee of approximately \$54,000 is included in the projections in the proposed budget for the Environmental Programs Division. The staff time to prepare this item and administer this program is included in the work program of the Environmental Programs Division.

Agenda Item # 8

Prepared By:

Program Administrator

Approved By:

Public Works Director

Submitted By:

City Manager



CITY COUNCIL STAFF REPORT

MEETING DATE: *June 7, 2006*

HOUSEHOLD HAZARDOUS WASTE SERVICES AGREEMENT AMENDMENT

RECOMMENDED ACTION(S):

Authorize the City Manager to Execute the Amendment to the Agency Agreement with the County

EXECUTIVE SUMMARY: Since 1993, the City has met its obligation to provide for household hazardous waste disposal by participating in the Countywide Collection Program.

In 2003, the Council authorized the City Manager to execute a three-year Countywide Household Hazardous Waste Agreement. Based on the City's past experiences, an augmentation of \$20,000 was included in the Agreement to ensure that all Morgan Hill residents desiring to participate in the program will be allowed to do so. The demand for these services in the current fiscal year has exceeded the funds allocated and an additional augmentation of \$5,000 will be needed in order to ensure a continuity of services.

FISCAL/RESOURCE IMPACT: An additional \$5,000 is available from the Countywide Household Hazardous Waste Management Fee to cover these expenses. No budget adjustment is required. The staff time to prepare this item and administer this program is included in the work program of the Environmental Programs Division.

Agenda Item # 9

Prepared By:

Program Administrator

Approved By:

Public Works Director

Submitted By:

City Manager

**THIRD AMENDMENT TO THE AGENCY AGREEMENT FOR COUNTYWIDE
HOUSEHOLD HAZARDOUS WASTE COLLECTION PROGRAM**

This is the Third Amendment to the "Agency Agreement for Countywide Household Hazardous Waste Collection Program," (AGREEMENT) by and between the City of Morgan Hill (CITY) and the County of Santa Clara, (COUNTY), which was effective on July 1, 2003 and previously amended effective July 1, 2004.

The COUNTY and the CITY agree that:

1. Section 17. ADDITIONAL SERVICES UNDER THIS AGREEMENT is amended to add an additional \$5,000 to the \$20,000 authorized by the Second Amendment for a new total of \$25,000 in augmentation funding during Fiscal Year 2006 for the purpose of increased resident participation above the 3% service level.

Except as amended herein, all terms and conditions of said AGREEMENT shall remain in full force and effect.

The effective date of this Amendment is upon execution by both parties.

IN WITNESS WHEREOF, COUNTY and CITY, through their duly authorized representatives, have entered into this Third Amendment to the AGREEMENT on the date shown below:

COUNTY OF SANTA CLARA

CITY OF MORGAN HILL

Signature:

Signature:

Ben Gale
Director of Department of Environmental
Health

Name: _____
Title: _____

Date: _____

Date: _____

APPROVED AS TO FORM AND LEGALITY

Kathy Kretchmer
Deputy County Counsel
Date: _____



CITY COUNCIL STAFF REPORT

MEETING DATE: June 7, 2006

HOUSEHOLD HAZARDOUS WASTE SERVICES AGREEMENT

RECOMMENDED ACTION(S):

Authorize the City Manager to Execute the Agreement with the County
Subject to the Inclusion of Funding in the Adopted FY 06/07 City Budget

EXECUTIVE SUMMARY: Since 1993, the City has met its obligation to provide for household hazardous waste disposal by participating in the Countywide Collection Program. This popular program provides City residents with the opportunity to participate in several collection events each month. The permanent collection center in San Martin has dramatically improved the convenience associated with these services and, therefore, further increased the demand for them.

In 2003, the Council authorized the City Manager to execute a three-year Countywide Household Hazardous Waste Agreement. Since this agreement expires on June 30th, the sole purpose of this item is to approve the City's execution of the new agreement. Based on the City's past experiences, an augmentation of \$20,000 will ensure that all Morgan Hill residents desiring to participate in the program will be allowed to do so. Both the Utilities and Environment Subcommittee and staff recommend that the City Manager be authorized to execute the attached Agency Agreement for Countywide Household Hazardous Waste Collection Program. The City Attorney has reviewed and approved the document.

FISCAL/RESOURCE IMPACT: A maximum of \$20,000 in expenditures from the City will result from this action. This amount is currently proposed in the Environmental Programs Division's budget (Fund 232). The source of these funds is the franchise fee on solid waste services that is dedicated to AB 939 purposes. The staff time to prepare this item and administer this program is included in the work program of the Environmental Programs Division.

Agenda Item # 10

Prepared By:

Program Administrator

Approved By:

Public Works Director

Submitted By:

City Manager



CITY COUNCIL STAFF REPORT

MEETING DATE: *June 7, 2006*

APPROVAL OF PURCHASE ORDER TO US FILTER FOR PERCHLORATE REMOVAL SYSTEMS OPERATION AT NORDSTROM AND TENNANT WELLS

RECOMMENDED ACTION(S): Authorize issuance of a Purchase Order to US Filter in the amount of \$325,000.

EXECUTIVE SUMMARY: As Council is aware, due to perchlorate contamination emanating from the Olin site, the City leases removal systems from US Filter for two City facilities: Nordstrom and Tennant wells.

In January 2006 we informed Council we would be returning with a request for the 06/07 operation. It is estimated the cost of the perchlorate removal systems in FY 06/07 (12 months operation at Tennant Well, 5 months operations at Nordstrom Well) will be \$325,000.

Through May 2006, the City has removed perchlorate from 584,000,000 gallons of water at our Nordstrom Well. Also through May 2006, the City has removed perchlorate from 325,500,000 gallons of water at our Tennant Well.

FISCAL/RESOURCE IMPACT: Funding for all perchlorate related expenses comes from our perchlorate surcharge (currently 15%) and as with all of our previous expenses for perchlorate related contamination, staff and our special counsel will do all we can to seek reimbursement from the responsible party or parties. Pending approval of the Fiscal Year 2006-2007 Budget sufficient funding exist in the Water Operation Budget.

Agenda Item # 11

Prepared By:

Management Analyst

Approved By:

Department Director

Submitted By:

City Manager



CITY COUNCIL STAFF REPORT

MEETING DATE: June 7, 2006

REJECTION OF BID FOR FY06-07 GROUNDS AND LANDSCAPE MAINTENANCE SERVICES

RECOMMENDED ACTION(S):

1. Reject the bid received on May 25, 2006 for City-Wide Grounds Landscape Maintenance Services.
2. Authorize staff to re-bid.

EXECUTIVE SUMMARY:

The current contract for grounds landscape maintenance services ends on June 30, 2006. Staff prepared a request for proposal for Fiscal Years 2006 through 2008. It was advertised May, 2006 with a bid opening date of May 25, 2006. There was one proposal received and is listed below:

Jensen Landscape Services, Inc.	\$290,268
---------------------------------	-----------

Although there are additional areas that have been included in this proposal as compared to past proposals this proposal is approximately 120% higher than anticipated. The areas included for landscape maintenance are: the Community and Cultural Center, the Aquatics Center, Assessment District Parks and Landscape Areas, Arterial Medians, Butterfield Linear Park, Centennial Recreation Center, Skate Park, BMX Park and the Wildlife Bike Trail.

Staff contacted the contractors who attended the mandatory pre-bid meeting to ascertain the circumstances that prevented them from submitting bids. These contractors indicated that they did not have adequate time to complete the proposal and they remain interested in the project. Staff is recommending that the bid be rejected and re-bid in hopes of obtaining more competitive bid results.

FISCAL/RESOURCE IMPACT: None.

Agenda Item # 12

Prepared By:

Management Analyst

Approved By:

Public Works Director

Submitted By:

City Manager



CITY COUNCIL STAFF REPORT

MEETING DATE: JUNE 7, 2006

Agenda Item # 13

Prepared By:

Associate Engineer

Approved By:

Public Works Director

Submitted By:

City Manager

AUTHORIZE PARKS AND RECREATION COMMISSION TO APPOINT STEERING COMMITTEE MEMBERS FOR TRAILS MASTER PLAN

RECOMMENDED ACTION(S): Authorize the Parks and Recreation Commission (PRC) to appoint steering committee members to aide in the development of the Trails Master Plan.

EXECUTIVE SUMMARY: The Capital Improvement Program includes the development of a Trails Master Plan that will establish a network of pedestrian trails adjacent to creeks, streams, and roads within the urban city limits which will provide circulation and connectivity to schools, parks, public facilities, and commercial zones as well as recreational opportunities for the community. The Trails Master Plan will enable the City to apply for future grants related to bicycle/pedestrian facility improvements.

On July 27, 2005, Council approved a resolution supporting grant funding through the Santa Clara Valley Transportation Authority's (VTA) TDA Article 3 program for \$32,000 with a \$4,000 City match requirement. On December 15, 2005, the City's project was approved for funding by the VTA.

On February 1, 2006, Council awarded a professional services contract with Royston Hanamoto Alley & Abey (RHAA) to develop the Trails Master Plan. The scope of work for this study consists of reviewing existing trails and reports, site visits, staff meetings, provide preliminary trail alignments, verify environmental constraints, community meeting, revisions, draft and final Trails and Natural Resources Study which shall serve as the City's Trails Master Plan. Both the PRC and the Bicycle and Trails Advisory Committee (BTAC) have approved the scope of work. RHAA and staff began work on the study on April 11, 2006 and a draft plan will be available on July 7th for both staff and steering committee review.

Staff and RHAA recommend that a steering committee be created for the purpose of obtaining local input in order to better meet the needs of the Community. Staff suggests that the steering committee members be able to attend a minimum of two evening meetings (2hrs each) with an approximate total commitment of 8 hours. Several community members have already expressed an interest in participating on this committee. They are Alan Clark (current BTAC member), Katherine Hardt-Mason (current PRC member), and Marie Lamb with the Morgan Hill Walking Group. Staff recommends that Council direct the PRC to solicit and appoint members to the steering committee to best represent the community's needs for the development of the Trails Master Plan.

In addition to the steering committee, staff will provide the opportunity for community review and comment, as well as BTAC and PRC for recommendations to Council.

FISCAL/RESOURCE IMPACT: No fiscal/resource impact.



CITY COUNCIL STAFF REPORT

MEETING DATE: *June 7, 2006*

AWARD CONTRACT FOR NEW LIBRARY GLASS & GLAZING PACKAGE #11 – REBID

RECOMMENDED ACTION(S):

1. Reject non-responsive apparent low bid from Coast Counties Glass as recommended by the City Attorney.
2. Award Contract to Valhalla Builders and Developers, Inc. in the amount of \$889,500.

EXECUTIVE SUMMARY: In February 2006, staff advertised for bids on the Library construction project and publicly opened 19 bid packages in March. At the City Council meeting of April 5th, 18 prime contracts were awarded and the Glass & Glazing - Package #11 was rejected with authorization for re-bid. Staff subsequently readvertised for this package in early May and publicly opened four bids on May 25th as shown below:

Coast Counties Glass, Inc. -	\$ 862,924.25
Valhalla Builders & Developers -	\$ 889,500.00
Best Contracting Services -	\$1,425,000.00
Southwest Construction -	\$1,698,452.00

Although Coast Counties Glass has the apparent low bid, they failed to submit all of the required documents with their bid package. Consequently, their bid is deemed non-responsive per our City Attorney. The next lowest bidder shown above is Valhalla Builders and Developers, Inc. for an additional \$26,575.75. Staff recommendation is to reject the low bid from Coast Counties Glass, Inc., and to award the contract to Valhalla Builders and Developers, Inc. in the amount of \$889,500 in order for the construction project to remain on schedule. A reference check of Valhalla Builders was favourable and they are already contracted on this project for Package #19 – General Conditions. The difference between the contract award amount and the amount “set-aside” in the overall \$19 million approved project budget for the Glass & Glazing package (\$1,339,960) shall be placed into overall project contingency.

FISCAL/RESOURCE IMPACT: Sufficient funds are available in the approved overall project budget of \$19 million. No additional funding is required.

Agenda Item # 14

Prepared By:

Sr. Project Manager

Approved By:

Public Works Director

Submitted By:

City Manager



CITY COUNCIL STAFF REPORT

MEETING DATE: *June 7, 2006*

Agenda Item # 15

Prepared By:

**Special Assistant to the
City Manager**

Submitted By:

City Manager

ACCEPTANCE OF SISTER CITY DISPLAY CASE FOR SISTER CITY MEMORABILIA

RECOMMENDED ACTIONS:

1. Accept the Sister City Committee Display case located in the entrance hallway next to the El Toro Room at the Community & Cultural Center
2. Accept donation from Anritsu of the display case on behalf of the Sister City Committee
3. Accept the on-going Sister Cities memorabilia display pending City Attorney approval.

EXECUTIVE SUMMARY:

The City of Morgan Hill's Sister City Committee has three sister cities, San Casciano in Val di Pesa, Italy; San Martin de Hidalgo, Mexico; and Headford, Ireland. The fourth sister city, Mizuho, Japan may be approved this evening. The Sister City's Committee members have been collecting items presented to them during sister city visits and have been working towards a solution as to how to display these items for the community to view.

The Library, Cultural and Arts Commission (LCAC) began working with the Sister Cities committee in January, 2006 to develop a project to recognize Morgan Hill's Sister Cities and to provide high visibility for the Sister Cities program and appropriate recognition of each City. The Committee suggested a display case and a search for an appropriate location was undertaken. As the Community and Cultural Center was built with the intent to provide community cultural awareness, and that many of the Sister Cities/City events are held there, finding an appropriate location within the center made sense. In March the LCAC approved the committee's recommendation for Council consideration that a display case be located along the El Toro hallway entrance.

Anritsu donated the display case, estimated value of \$2300, to the City for use by the Sister Cities Committee. The upright case is 72 by 72 inches and is located along the wall facing the Community & Cultural Center entrance off of Monterey Street.

FISCAL IMPACT: The display case was donated and the Sister Cities' Committee is responsible for the maintenance and display of materials.



CITY COUNCIL STAFF REPORT

MEETING DATE: JUNE 7, 2006

Agenda Item # 16

Prepared By:

Finance Director

Submitted By:

City Manager/

MAYOR & COUNCIL MEMBER COMPENSATION

RECOMMENDED ACTION:

Introduce Ordinance Adjusting Salaries of the Mayor and Council Members

EXECUTIVE SUMMARY:

Following Financial Policy Committee discussions about City Council Member compensation on August 17 and August 24, the City Council considered this topic at its October 5, 2005, meeting. The City Council directed staff to return with the documents necessary to implement a "cost-of-living" increase to the salaries of the Mayor and City Council Members for a two year period. The City Council made it clear that this increase would not take place until after the November 2006 election, consistent with State law.

As background, under existing City ordinances, the Mayor has been paid, since 1996, \$800 per month and Council Members have been paid, since 1986, \$300 per month. Under Government Code section 36516, the maximum amount payable to Council Members, for cities with a population between 35,000 and 50,000, is the larger of: 1) \$400 per month or 2) the amount last approved plus 5% for each subsequent calendar year. For Morgan Hill, monthly Council Member pay could be increased up to \$400 or, using the 5% formula, up to \$722. Under the Government Code, the Mayor is entitled to the same pay as Council Members plus any additional amount that may be provided by ordinance.

Now that calendar year 2004 and 2005 cost-of-living index changes are available, staff is returning to the City Council with the proposed implementing Ordinance. Since the cost-of-living index increased over the two-year period by 4.2%, staff has calculated that monthly Council Member pay would increase by \$13 to \$313. The incremental pay for the Mayor would increase by \$21 to \$521, so that the Mayor's total pay would increase by \$34 to \$834. To ensure that the recommended approach is consistent with City Council direction, staff brought the methodology and timing to the Financial Policy Committee and they briefly discussed the matter at their May 24, 2006, meeting. Committee members agreed that the staff recommendation was consistent with Council direction.

FISCAL IMPACT: City Council Member pay adjustments would be paid from the General Fund and would not affect the current fiscal year 2005/06 budget. The proposed increases would amount to a total of \$1,032 per year for the Mayor and four Council Members combined, and would be effective late in calendar year 2006 following the November 2006 election.

ORDINANCE NO. _____, NEW SERIES

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING TITLE I, CHAPTER 2, SECTIONS 2.04.020 AND 2.04.030 OF THE MORGAN HILL MUNICIPAL CODE TO ADJUST THE SALARIES OF COUNCIL MEMBERS AND THE MAYOR.

THE CITY COUNCIL OF THE CITY OF MORGAN HILL DOES HEREBY ORDAIN AS FOLLOWS:

SECTION 1: Amending Title I, Chapter 2, Section 2.04.020 of the Municipal Code.

The present Section 2.04.020 of Chapter 2 of Title I of the Municipal Code is amended to read as follows:

“Section 2.04.020 Salary of council members.

Pursuant to the provisions of Section 36516 of the Government Code, each of the members of the city council shall receive a monthly salary of three hundred thirteen dollars payable at the same intervals as other city employees are paid. This amount was calculated by first taking the existing monthly city councilmember salary of \$300 and increasing this amount by the 2.5% “change in the consumer price index for urban wage earners and clerical workers” for the San Francisco-Oakland-San Jose, California local area for the year ended December 2004, and then by increasing that product by the 1.7% “change in the consumer price index for urban wage earners and clerical workers” for the San Francisco-Oakland-San Jose, California local area for the year ended December 2005.

Pursuant to Section 36516.5 of the Government Code, this section shall take effect whenever one or more members of the city council begins a new term of office, after the adoption of the ordinance codified in this section.

SECTION 2. Amending Title I, Chapter 2, Section 2.04.030 of the Municipal Code.

The present Section 2.04.030 of Chapter 2 of Title I of the Municipal Code is amended to read as follows:

“Section 2.04.030 Salary of the mayor.

Pursuant to the provisions of Section 36516.1 of the Government Code, which permits a mayor elected pursuant to Sections 34900 to 34904, inclusive, of the Government Code to be provided with compensation in addition to that which he or she receives as a councilmember, the mayor of the city shall receive a monthly salary of five hundred twenty-one dollars payable at the same intervals as other city employees are paid. This amount was calculated by taking the existing monthly incremental mayoral salary of \$500 and increasing this amount by the 2.5% “change in the consumer price index for urban wage earners and clerical workers” for the year ended December 2004, and then by increasing that product by the 1.7% “change in the consumer price index for urban wage earners and clerical workers” for the year ended December 2005. This salary is to be paid in addition to the amount specified in Section 2.04.020 (Salary of council members).

Pursuant to Section 36516.5 of the Government Code, this section shall take effect whenever one or more members of the city council begins a new term of office, after the adoption of the ordinance codified in this section.

SECTION 4. Severability. If any part of this Ordinance is held to be invalid or inapplicable to any situation by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this Ordinance or the applicability of this Ordinance to other situations.

SECTION 5. Effective Date Publication. This ordinance shall take effect thirty (30) days after the date of its adoption. The City Clerk is hereby directed to publish this ordinance pursuant to §36933 of the Government Code.

The foregoing ordinance was introduced at the regular meeting of the City Council of the City of Morgan Hill held on the 7th Day of June 2006, and was finally adopted at a regular meeting of said Council on the Day of June 2006, and said ordinance was duly passed and adopted in accordance with law by the following vote:

AYES: COUNCIL MEMBERS:
NOES: COUNCIL MEMBERS:
ABSTAIN: COUNCIL MEMBERS:
ABSENT: COUNCIL MEMBERS:

ATTEST:

APPROVED:

Irma Torrez, City Clerk

Dennis Kennedy, Mayor

∞ CERTIFICATE OF THE CITY CLERK ∞

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Ordinance No. , New Series, adopted by the City Council of the City of Morgan Hill, California at their regular meeting held on the Day of June 2006.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: JUNE 7, 2006

AMENDMENT TO AGREEMENT WITH NAFFA INTERNATIONAL

RECOMMENDED ACTION(S):

Authorize the City Manager to execute an Amendment to Agreement with NAFFA International

EXECUTIVE SUMMARY:

On December 15, 2005 the City contracted with NAFFA International to provide the Building Division with professional outside plan review services. With the submittal of several complex commercial and public facility projects, such as the Centennial Recreation Center, Morgan Hill Library, Target and other large projects, staff is recommending that Council approve the attached Amendment to Agreement to increase the amount of the contract an additional \$50,000 to cover all pending projects as well as any projects submitted through the remainder of this fiscal year (05/06).

FISCAL IMPACT: The services provided under these contracts will be provided on demand and paid for by the customer requesting the service. The cost for this contract has been included in our budget.

Agenda Item # 17

Prepared By:

Monica Delgado

Approved By:

Kathy Molloy Previsich

Submitted By:

City Manager



CITY COUNCIL STAFF REPORT

MEETING DATE: June 7, 2006

PURCHASE OF POLICE DETECTIVE VEHICLE

RECOMMENDED ACTION(S):

1. Determine that competitive bids upon notice for a new police detective vehicle would not be likely to result in a lower price to the city from a responsible bidder, or would cause unnecessary expense or delay under the circumstances”.
2. Authorize vehicle purchase from The Ford Store of Morgan Hill for the vehicle identified in this report for a total cost of **\$24,385.50**.
3. Authorize the surplus vehicle to be used as a trade-in to The Ford Store.

EXECUTIVE SUMMARY:

Within the Police Department’s budget, we have allocated at total of \$25,000.00 to purchase an unmarked police vehicle for the Special Operations Division. The vehicle listed within this Staff Report will be used by the Street Crimes Detective. The Street Crimes Detective is a new position within the Police Department that replaced the Detective that was assigned to UNET (Unified Narcotics Enforcement Team). The Street Crimes Detective is currently driving a 1999 Chevrolet Blazer that has approximately 99,000 miles. The vehicle that will replace the Blazer will be used for multiple purposes, such as surveillance, transportation, hauling equipment and enforcement stops.

Informal bids from The Ford Store Morgan Hill, Bob Lynch Ford of Gilroy, and South County Dodge of Gilroy were received. An informal proposal request was sent to these dealerships in request of a full size pickup truck with a minimum of 200 horse power. Section 3.04.150 MHMC allows the City Council to authorize a purchase “...By a majority vote of city council members...that said purchase may be made upon a determination that competitive bids upon notice would not be likely to result in a lower price to the city from a responsible bidder, or would cause unnecessary expense or delay under the circumstances”. Listed are the bids received from the above mentioned dealerships:

The Ford Store (F-150)	\$21,332.71 (with trade in = \$18,532.71)
South County Dodge (F-150)	\$26,736.71
Bob Lynch Ford (F-150)	\$25,852.50

The Department is aware of budget constraints and has evaluated the needs in regard to adding to the vehicle fleet. Staff recommends authorization based upon the need to provide a safe and efficient level of service required in the community. Staff would also recommend the purchase of the Ford F-150 from The Ford Store Morgan Hill.

The Department also recommends the purchase of new emergency equipment for the vehicle, including radio, and installation through EVS. The Ford Store will give the Department \$2,800.00 in trade for the Blazer, making the total purchase price of the Ford F150 truck \$18,532.71. The total cost of the equipment and installation is listed below:

Emergency equipment and installation	\$2,531.10
Motorola radio	\$3,321.23
Total cost of vehicle including equipment:	\$24,385.04

FISCAL IMPACT: The cost of this purchase will be made through The Equipment Replacement Fund.

Agenda Item # 18

Prepared By:

Jerry Neumayer
Police Sergeant

Approved By:

Department Director

Submitted By:

City Manager

2005-2006 VEHICLE REPLACEMENT

POLICE DEPARTMENT

VEHICLE	REPLACE WITH:	COMMENTS/STATUS	COST	FUNDING/DIVISION
P00240 1999 Chevrolet S-10 Blazer	NEW 2006 Ford F150	P00240 will be surplusd and used as a trade-in at The Ford Store for \$2800.00.	Total: \$24,385.04	790-43830-8500 Police

2005-2006 SURPLUS VEHICLES/EQUIPMENT

POLICE DEPARTMENT

P00240 1999 Chevrolet S-10 Blazer

**CITY OF MORGAN HILL
SPECIAL CITY COUNCIL MEETING
MINUTES – MAY 19, 2006**

CALL TO ORDER

Mayor Kennedy called the special meeting to order at 8:40 a.m.

ROLL CALL ATTENDANCE

Present: Council Members Carr, Grzan, Sellers, Tate and Mayor Kennedy

DECLARATION OF POSTING OF AGENDA

Deputy City Clerk Malone declared that the special meeting agenda was duly noticed and posted in accordance with Government Code 54954.2.

City Council Action

WORKSHOP:

The City Council conducted an all day workshop, working through a series of strategic financial issues relating to the following topics: 1) Community Conversation, Sustainable Budget Strategy, and Redevelopment Agency Plan Amendment.

Staff presented the City Council with the results of the Community Conversations and the results of the statistically significant poll of likely voters in Morgan Hill. Staff reviewed the expenditure and revenue projections through the next five-years; including how these projections have changed over the years. Staff and the Council talked about significant strategic issues such as the under funding of the street and park maintenance and the need for additional fire protection.

City Manager Tewes informed the Council that it will be holding a public hearing on June 7 to consider the budget recommendations for next fiscal year.

The Council devoted most of the workshop time discussing the long range budget strategy. Highlights of the Council's workshop discussion include the following:

- As measured by the Community Conversation responses and the statistically significant sample of likely voters, it is clear that residents like living in Morgan Hill, and are generally satisfied with the current level of city services.
- The Council determined not to place a tax measure on the November 2006, ballot and not to reduce services from the current levels at this time.

- The Council recognized the City would continue to use some of the substantial reserves to fund general fund services; noting that the deficit continues at a lower rate than had been previously forecasted. This is primarily attributed to a stronger sales and property tax growth.
- The Council recognized that merely keeping staffing levels constant was not the same as keeping service levels constant as the community continues to grow. This is especially true in the areas of the priorities of police and fire services where keeping staffing levels constant may not be adequate to keep up with the service levels required of a growing community.
- The Council/Redevelopment Agency is to pursue an extension of the Redevelopment Agency's tax increment authority, but with a smaller project area. By shrinking the project area, somewhat, it would add approximately \$800,000 annually to the general fund and somewhat more than this amount to the County's general fund. In conjunction with the opportunity for debt financing, the Council learned that there is an opportunity to perform a significant amount of investment in meeting Redevelopment needs; and yet provide additional revenues to the general fund.
- The Council determined it wants staff to evaluate ways to continue the civic engagement process. Staff to consider how the City can get citizens to continue to talk about the community's desired level of service and how to pay for this level of service. The Council directed staff to return with ideas on how to do so for the June 7 public hearing.

CLOSED SESSIONS:

City Attorney Kern announced the below listed closed session item.

1.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Authority:	Government Code Sections 54956.9(b) & (c)
Number of Potential Cases:	1

OPPORTUNITY FOR PUBLIC COMMENT

Mayor/Chairman Kennedy opened the Closed Session item to public comment. No comments were offered.

ADJOURN TO CLOSED SESSION

Mayor/Chairman Kennedy adjourned the meeting to Closed Session at 3:35 p.m.

RECONVENE

Mayor/Chairman Kennedy reconvened the meeting at 4:48 p.m.

CLOSED SESSION ANNOUNCEMENT

City Attorney Kern announced that no reportable action was taken in closed session.

ADJOURNMENT

There being no further business, Mayor/Chairman Kennedy adjourned the meeting at 4:49 p.m.

MINUTES PREPARED BY:

IRMA TORREZ, CITY CLERK

**CITY OF MORGAN HILL
JOINT SPECIAL CITY COUNCIL AND
SPECIAL PLANNING COMMISSION, PARKS & RECREATION COMMISSION,
SENIOR ADVISORY COMMITTEE AND YOUTH ADVISORY COMMITTEE MEETING
MINUTES – MAY 23, 2006**

CALL TO ORDER

The special meeting was called to order at 5:37 p.m.

ROLL CALL ATTENDANCE

City Council

Present: Council Members Carr, Sellers, Tate and Mayor Kennedy

Absent: Mayor Pro Tempore Grzan

Planning Commission

Present: Robert Benich, Mike Davenport, Susan Koepp-Baker, Ralph Lyle

Absent: Geno Acevedo, Robert Escobar, Joe Mueller

Parks & Recreation Commission

Present: Mark Frederick, Kimberly Leiser

Absent: Jim Green, Laura Hagiperos, Katherine Hardt-Mason, Marilyn Librers, and Craig van Keulen

Senior Advisory Committee

Present: Susan Fent, Betty Gigliotti, Gloria Subocz, William Quenneville

Absent: Staten Johnston, Jeannette Riley

Youth Advisory Committee

Present: Tirza Banuelos, Casey Corbin, Adriana Hosseini, Shaila Patel

Absent: Isela Banuelos, Kelly Del Carlo, Nadia Rahim, Katherine Soult

DECLARATION OF POSTING OF AGENDA

The meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2.

TOUR:

1. TOUR OF RECREATION CENTER CONSTRUCTION SITE

The City Council, Planning Commission, Parks & Recreation Commission, Senior Advisory Committee, and Youth Advisory Committee were led on a hard hat tour of the indoor recreation center. Recreation and Community Services Director Rymer requested Council, Commission, and Committee Members submit programming suggestions for the indoor creation center.

ADJOURNMENT

The tour of the indoor recreation center concluded at 6:20 p.m.

MINUTES PREPARED BY:

IRMA TORREZ, CITY CLERK



REDEVELOPMENT AGENCY STAFF REPORT

MEETING DATE: *June 7, 2005*

LOAN TO COMMUNITY SOLUTIONS FOR THE REHABILITATION OF THE LA CASA DEL PUENTE TRADITIONAL SHELTER FOR THE MENTALLY DISABLED

RECOMMENDED ACTION(S):

1. Approve a loan of up to \$50,000 under the Agency's Housing Rehabilitation Loan Program to Community Solutions.
2. Authorize the Executive Director to do everything necessary to prepare and execute loan documents.

EXECUTIVE SUMMARY: Community Solutions is a nonprofit organization that provides human services in the South County area. They own and operate the La Casa Del Puente transitional shelter for mentally disabled persons. This shelter is located in Morgan Hill at 17415 Depot Street and houses up to twelve low income residents at a time. Residents stay here for up to four months while receiving counseling and other services.

In September of 2005 Community Solutions sold a duplex located at 150 and 154 Main Street which had a loan from the Agency with a balance of \$102,000. The Agency loaned back this \$102,000 to Community Solutions for the remodel of the La Casa Del Puente shelter. This part of the project was phase one which was done immediately due to some timely tenant vacancies. Staff had to complete the project in six weeks before the new tenants would arrive. Phase one completed much of the rehab activities in the living areas, but left other areas unaddressed. Phase two will cover the cost overruns of phase one related to unforeseen conditions (e.g., dry rot, substandard electrical wiring) and the requirement to be done within six weeks as well as to complete the remainder of the project such as the remodel of the office and meeting areas. This will be the final phase of the project.

Phase two consists of an additional loan amount of up to \$50,000 with staff assistance for project oversight. The terms of the loan will be the same as phase one: 0% interest with the principle fully deferred, due upon the sale as long as Community Solutions continues to use the property for its stated uses. The loan will be secured against the property.

FISCAL IMPACT: There are sufficient funds in the BAHS Housing rehab loan budget (Fund 327) for this activity.

Agenda Item # 21

Prepared By:

**BAHS Housing Rehab
Coordinator**

Approved By:

BAHS Director

Submitted By:

Executive Director

**CITY OF MORGAN HILL
JOINT REGULAR CITY COUNCIL
AND REGULAR REDEVELOPMENT AGENCY MEETING
MINUTES – MAY 24, 2006**

CALL TO ORDER

Mayor/Chairman Kennedy called the meeting to order at 7:00 p.m.

ROLL CALL ATTENDANCE

Present: Council/Agency Members Carr, Grzan, Tate and Mayor/Chairman Kennedy
Late: Council/Agency Member Sellers (arrived at 7:10 p.m.)

DECLARATION OF POSTING OF AGENDA

The meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2.

SILENT INVOCATION

Mayor/Chairman Kennedy announced that the meeting would be adjourned in memory of David Thoms, an active community member and runner/tri athlete who died unexpectedly at a young age.

PLEDGE OF ALLEGIANCE

RECOGNITIONS

Mayor Kennedy recognized and thanked Margaret Johnston and all of the Adopt a Planter Volunteers for doing a wonderful job over the years in maintaining, installing and providing flowers in the downtown area and throughout the community; helping keep the City beautiful.

Ms. Johnston thanked Dave Vincent, owner of the Cal Color Nursery, donor of the flowers for the past 6.5 years. She thanked Public Works Department staff members Ann Beale, Juan Pacheco, and Fred Gomez for their supportive efforts. She further thanked the 50 Adopt a Planter Volunteers for their dedication, tireless efforts and their time to make the downtown beautiful all year round.

Council/Agency Member Sellers entered and took his seat on the Dais.

PROCLAMATIONS

Mayor Kennedy presented Police Chief Cumming with a Proclamation declaring May 15 – May 21, 2006 as *National Police Week* in honor of law enforcement officers, past and present, who have rendered dedicated service to the community; and further proclaiming May 15, 2006 as *Peace Officers' Memorial Day* in honor of those law enforcement officers who have made the ultimate sacrifice in service to their community or have become disabled in performance of their duty.

Mayor Kennedy presented a Certificate of Recognition to Jamie Pereira for being selected *Dispatcher of the Year* for her compassion, understanding and professionalism during the performance of her duties the past year.

PRESENTATIONS

Pi Silverstein, volunteer with the Registrar of Voters Office, informed the Council and members of the public that he has brought an Electronic Voting Machine to the Council meeting to demonstrate its use during the Council break. He thanked City staff for its response to a water problem in the downtown area associated with the Adopt a Planter program. He indicated that he is the Chair of the South County United Way Council. He stated the City did a nice job with the United Way campaign this year and that it is his hope the City will do the same next year.

CITY COUNCIL REPORT

Council Member Sellers said that over a hundred years ago, our Nation went from writing individual ballots to using machines today. There was a lot of consternation and concern about the integrity of the electronic voting process. He indicated that efforts of individuals such as Mr. Silverstein will be fundamental to everyone becoming comfortable with new technology. He applauded Mr. Silverstein's effort and appreciates his willing to demonstrate the electronic voting machine for the community. He stated that he has been assisting with upcoming June 2006 ballot measures. Measure A is a county-wide measure that all Council members individually endorse along with the Chamber of Commerce and other groups. He encouraged everyone to vote for Measure A as it is an important long term source of resources for the community. He also supports Measure E as it will provide resources to the Morgan Hill Unified School District in the education of our children. He requested citizens join him and other Council members in support of Measure E.

Council Member Sellers announced that the Council wrapped up the Community Conversations on April 29. He noted that there has been some concern expressed about the fact that perhaps the Council did not reach out to as many citizens as possible. He felt that any time you can get over 300 individuals in a community of this size to spend 2½ hours telling the Council what they think about the City of Morgan Hill, learning about the City's budget, and then commenting on what they have learned is a phenomenal accomplishment. Everyone needs to be extremely proud the City had this kind of turnout. He felt that staff undertook creativity to come up with a solution(s) and saw the process through. He thanked everyone for participating in the Community Conversations. He said that 300 participants may not seem like a lot of people in a community of well over 30,000 residents. However, it is a sizeable valid sample. He indicated that the Council was strongly discouraged from participating in the Community Conversations early on so as not to influence the process. However, in attending the last Community Conversation, the Capstone Event, it was evident that a lot of work had been undertaken. He found the Capstone Event extremely valuable and thanked everyone involved. He reiterated that it was a very important part of the Council's overall planning and that it was his belief that the impacts will be felt for years to come.

Council Member Sellers indicated that he did not have the opportunity to comment on the article that appeared last week about the Mayor's decision to make this his last term. He stated that he was approached by an individual who heard a story that the Mayor's decision not to seek another term was impacted, somehow, to having a building named after him. If Mayor Kennedy was only interested in recognition, he would have left public office years ago. He could not think of anyone who comes close to Mayor Kennedy's accomplishments and his dedication during his tenure. He said that he would do everything possible to make sure the Mayor's last six months are a fitting send off for all that he has done for everyone.

Council Member Tate indicated that the Financial Policy Committee met this afternoon, and that he might want to make a few comments after the City Manager makes his report.

CITY MANAGER REPORT

City Manager Tewes reported the following:

- The Council has called the meeting this evening with an amended agenda for item 22. The amended agenda allows the Council to discuss and give direction on this particular item.
- He thanked the Council and the community for the recognition of the work performed by City employees. He noted that the Police Department, the Dispatch Center, and the Fire Volunteers have thanked the City for the work and operations of the Public Works Department.
- He indicated that last Friday, the Council spent the entire day working through a series of strategic financial issues relating to the City's Budget Strategy. He stated that regrettably, one of the local newspapers is going through a transition in their reporting. He noted that the news reporter was not able to spend much time with the City that day. Out of necessity, the news article published was very incomplete, and in some places, off target from what the Council actually discussed. He presented some highlights of what happened on Friday. He stated that staff presented the Council with the results of the Community Conversations and the results of the statistically significant poll of likely voters in Morgan Hill. Staff reviewed the expenditure and revenue projections through the next five years and how these projections have changed over the years. Staff and the Council talked about significant strategic issues such as the under funding of the street and park maintenance and the need for additional fire protection. He stated that the Council will hold a public hearing on June 7 to consider the budget recommendations for next fiscal year. However, the Council devoted most of its time to the long range budget strategy. He identified six major headlines: 1) As measured by the Community Conversation responses and the statistically significant sample of likely voters, it is clear that residents like living in Morgan Hill and are generally satisfied with the current level of city services. 2) The Council determined not to place a tax measure on the November 2006 ballot and not to reduce services from the current levels at this time. 3) The Council recognized the City would continue to use some of the substantial reserves to fund general fund services, but that the deficit which continues would be at a lower rate than had been previously forecasted. This is primarily attributed to a stronger sales and property tax growth. 4) The Council recognized that merely

keeping staffing levels constant was not the same as keeping service levels constant as the community continues to grow. This is especially true in the areas of the priorities of police and fire services where keeping staffing levels constant may not be adequate to keep up with the service levels required of a growing community. 5) The Council/Redevelopment Agency will pursue an extension of the Redevelopment Agency's tax increment authority, but with a smaller project area. By shrinking the project area, somewhat, it would add approximately \$800,000 annually to the general fund and somewhat more than this amount to the County's general fund. In conjunction with the opportunity for debt financing, the Council learned that there is an opportunity to perform a significant amount of investment in meeting redevelopment needs and provide for additional revenues to the general fund. 6) The Council determined that it wants staff to evaluate ways to continue the civic engagement process. Staff to consider how the City can get citizens to continue talking about the community's desired level of services, and how to pay for them. The Council directed staff to return with some ideas on how to do so for the June 7 public hearing.

City Manager Tewes felt it important to report to the community the full extent of the conversations held by the Council as they were significant; noting that the news reporter was not able to stay for the entire meeting and that the news account did not include the discussions of the day.

Council Member Tate felt there must be an inverse correlation between public attendance at the Community Conversation sessions and the amount of accomplishments, good feelings and forward progress made at these sessions. He noted that the only member of the public in attendance last Friday was Dan Ehrler with the Chamber of Commerce. He indicated that there was a news reporter in attendance briefly in the morning. However, nothing was reported in terms of the discussions that took place at the workshop session. He noted the City Manager presented highlights of the workshop session and the public now knows what was discussed in this session. He said the Council and staff went away from the workshop feeling that everyone was heading in the same direction based on the polling and Community Conversation experience. It was his belief that all Council members believe the Community Conversation was extremely affective and contributive to the direction the City will head. He said the Council will be taking the Community Conversation to the next level. The City will find out what level of service the community desires and how these services will be paid for. He noted the Council will not be pursuing a tax at this time, but will try to figure out the best way to accomplish/provide services desired by the community; keeping the community involved. He indicated that the Financial Policy Committee has taken on this task, and is anxious to move forward.

CITY ATTORNEY REPORT

City Attorney Kern stated that she did not have a report to present this evening.

OTHER REPORTS

PUBLIC COMMENT

Mayor/Chairman Kennedy opened the floor to public comments for items not appearing on this evening's agenda.

Ted Fox, President of the Chamber of Commerce, introduced a new physician that has been recruited by St. Louise Regional Hospital into the Morgan Hill community at the De Paul Health Center, Dr. Devand Shaw, a board certified internal physician. He indicated that the De Paul Health Center will be offering extended hours beginning June 1; staying open until 7:00 p.m. in the evenings and Saturdays hours. He announced that Dr. Shaw is currently in the process of negotiating with the Community Health Foundation for the purchase of equipment to help institute urgent care services. He stated that it will be extremely important for members of the community to support local physicians and local health care services in order to have these services when needed.

Dr. Shaw said that it has been approximately two-years since his family moved to Morgan Hill. He noted that his wife was the first physician to sign a lease at the De Paul Health Center. He indicated that the De Paul Health Center is at over 80% occupancy. As his wife's practice continues to pick up, it was realized that there was a need for another physician in the community; thus, his decision to join his wife in her practice. He stated that they intend to increase their clinic hours on June 1. Weekday hours are to be 8 a.m. – 7 p.m. and there will be weekend hours as well. Also, to be provided is urgent care services as well as walk in patient. He clarified that the clinic will provide complete primary care services along with providing urgent care services. He welcomed new patients who want to take advantage of their services.

Mayor Kennedy said that one of the final actions taken at the Capstone Event was to continue the conversation. He stated that the piece of information missing is the level of community services the community expects. The Council heard loud and clear that the community expects more services and that the City continues with the services in place. The community does not want current services cut. As the City grows, he felt it critical the City not simply maintain the status quo in terms of the number of city employees in place; but the City grows the staffing needed to support the level of services desired by the community. He noted that one of the comments made at the Capstone Event for the Community Conversation was to establish a vision for the services desired by the community. He felt that this was the important message he received and that the Council heard as well. He indicated that the period of time necessary to identify the level of services desired by the community will be important and that the Council/City needs to hear from the community.

No further comments were offered.

City Council Action

CONSENT CALENDAR:

Mayor Pro Tempore Grzan requested that item 7 be removed from the Consent Calendar.

Action: *On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council unanimously (5-0) **Approved** Consent Calendar Items 1-6 and 8-14, as follows:*

1. **APRIL 2006 FINANCE & INVESTMENT REPORT - CITY**
Action: Accepted and Filed Report
2. **CENTENNIAL RECREATION CENTER (CRC) PROJECT – APRIL CONSTRUCTION PROGRESS REPORT**
Action: Information Only.
3. **CENTENNIAL INDOOR RECREATION CENTER (CRC) APPROVAL OF EXTRA DESIGN COSTS**
Action: Approved Staff Recommendations to Pay for Extra Design Costs Thru February 28, 2006 for Noll & Tam Architects in the Amount of \$72,064.
4. **APPROVAL OF PG&E FEES FOR THE NEW LIBRARY**
Action: Approved Payment of Fees to PG&E for the New Library in the Amount of \$56,038.85.
5. **REJECTION OF BID FOR LABORATORY SERVICES FOR POTABLE WATER SAMPLING AND ANALYSIS**
Action: 1) Rejected the Bid Received on May 4, 2006 for Laboratory Services for Potable Water Sampling and Analysis; and 2) Authorized Staff to Re-Bid.
6. **AMENDMENT TO ANNUAL CONTRACT WITH REPUBLIC ELECTRIC FOR TRAFFIC SIGNAL MAINTENANCE**
Action: Approved Amendment No. 2 to Contract with Republic Electric to Increase the Maximum Compensation from \$145,000 to \$205,000.
8. **APPROVAL OF JOINT USE AGREEMENT FOR PORTIONS OF THE WEST LITTLE LLAGAS CREEK BIKE TRAIL SYSTEM**
Action: Authorized City Manager to Sign, on Behalf of the City, a Joint Use Agreement with Santa Clara Valley Water District for Portions of the West Little Llagas Creek Bike Trail System; Subject to Review and Approval by the City Attorney.
9. **ACCEPTANCE OF SUBDIVISION IMPROVEMENTS FOR TRACT 9562, CENTRAL PARK PHASE VII**
Action: 1) Adopted Resolution No. 6004, Accepting the Subdivision Improvements Included in Tract 9562, Commonly Known as Central Park Phase VII; and 2) Directed the City Clerk to File a Notice of Completion with the County Recorder's Office.
10. **AGREEMENT WITH "CIRCA: HISTORIC PROPERTY DEVELOPMENT" TO UPDATE THE CITY'S HISTORIC RESOURCES INVENTORY AND PRESERVATION ORDINANCE**
Action: Approved and Authorized Execution of the Agreement.
11. **HOUSING ASSISTANCE PROGRAM**

Action: 1) **Authorized** a Loan of up to \$50,000 to the Recreation and Community Services Director to Assist in Acquiring a Residence in Morgan Hill; and 2) **Appropriated** \$50,000 from the Employee Assistance Fund.

12. PROPOSITION 81, THE 2006 CALIFORNIA STATE LIBRARY CONSTRUCTION BOND

Action: 1) **Adopted** Resolution No. 6005, Endorsing and Supporting Proposition 81; and 2) **Directed** the City Clerk to Forward a Copy of the Council Resolution to the “YES for Libraries” Headquarters.

13. ADOPT ORDINANCE NO. 1779, NEW SERIES

Action: **Waived** the Reading, and **Adopted** Ordinance No. 1779, New Series, and **Declared** That Said Title, Which Appears on the Public Agenda, Shall be Determined to Have Been Read by Title and Further Reading Waived; Title as Follows: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL AMENDING THE ZONING DESIGNATION FROM R-2 3,500 (MEDIUM DENSITY RESIDENTIAL) TO CG (GENERAL COMMERCIAL) ON A 2.66-ACRE PARCEL (APN 726-43-006) ADJACENT TO, AND NORTHERLY OF, THE LAUREL ROAD/WALNUT GROVE DRIVE INTERSECTION. (ZONING AMENDMENT APPLICATION NO. ZA-06-02: LAUREL – CITY OF MORGAN HILL).**

14. JOINT SPECIAL CITY COUNCIL AND SPECIAL PLANNING COMMISSION MEETING MINUTES OF APRIL 29, 2006

Action: **Approved** as Submitted.

7. AWARD OF MORGAN HILL WILDLIFE BIKE TRAIL PROJECT

Mayor Pro Tempore Grzan requested a staff report be presented.

Director of Public Works Ashcraft indicated that it is being recommended that the Council award a contract for the construction of the Morgan Hill Wildlife Bike Trail in the amount of \$238,000 to Perma Green Hydroseeding based upon their low bid. He informed the Council that staff opened bids on May 9 for this project. He stated that six competitive bids were received. Staff has checked the low bidder's background and found excellent references. He noted that this project is funded primarily from grant funds from the Santa Clara Valley Water District and the Valley Transportation Authority Measure B expenditure program. He said that the project entails the construction of a wildlife trail, an asphalt path, and certain water efficient plantings and irrigation systems; primarily around the new Centennial Recreation Center. The trail will extend from Edmundson Avenue to Edes Court; mainly around the frontage of the Centennial Recreation Center. He said that it is staff's hope to complete the project by the time of the grand opening of the community recreation center.

Mayor Pro Tempore Grzan noted that this project covers a portion of Little Llagas Creek. He inquired as to the potential of extending the trail further north.

Mr. Ashcraft indicated that the northerly extension is awaiting the PL566 project. He said that neither the City nor the Water District own right of way or very little right of way north of this project; noting that most of the land adjacent to Little Llagas Creek is privately owned. This land will need to be acquired to give the City the ability to build a flood control project as well as a trail; once the right of way is acquired for the PL566 project. He clarified that the trail meanders and is to be used by cyclist, walkers, and joggers. He stated that this would be an extension of the trail from the Paradise area, and that it is staff's hope that it will be extensively used to the downtown area once the PL566 project is extended.

Mayor Pro Tempore Grzan said that the area adjacent to the Little Llagas Creek is ideal for a linear park, and that any efforts to continue along the Little Llagas Creek to adjoin neighborhoods from the downtown to the new indoor recreation center is something the City needs to look at in the future. He felt this to be a good start, but far from what he sees to be a larger project that needs to be considered in the future.

Action: *On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council unanimously (5-0): 1) **Awarded** Contract to Perma-Green Hydroseeding, Inc. for the Construction of the Morgan Hill Wildlife Bike Trail Project, in the Amount of \$238,839; and 2) **Authorized** Expenditure of Construction Contingency Funds, Not to Exceed \$23,884.*

Redevelopment Agency Action

CONSENT CALENDAR:

Action: *On a motion by Agency Member Tate and seconded by Agency Member Sellers, the Redevelopment Agency Board unanimously (5-0) **Approved** Consent Calendar Item 15, as follows:*

15. APRIL 2006 FINANCE & INVESTMENT REPORT – RDA

Action: ***Accepted** and **Filed** Report*

City Council and Redevelopment Agency Action

CONSENT CALENDAR:

Action: *On a motion by Council/Agency Member Tate and seconded by Council/Agency Member Sellers, the City Council/Agency Board unanimously (5-0) **Approved** Consent Calendar Items 16 and 17, as follows:*

16. JOINT REGULAR REDEVELOPMENT AGENCY AND REGULAR CITY COUNCIL MEETING MINUTES FOR APRIL 26, 2006

Action: ***Approved** as Submitted.*

17. **JOINT SPECIAL AND REGULAR CITY COUNCIL AND REGULAR REDEVELOPMENT AGENCY MEETING MINUTES FOR MAY 3, 2006**
Action: Approved as Submitted.

City Council Action

PUBLIC HEARINGS:

18. **ISLAND ANNEXATION PROJECT: ADOPTION OF PARCEL PRE-ZONINGS, AND APPROVAL OF ANNEXATIONS – ISLANDS 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, AND 17 Ordinance Nos. 1767 through 1775, New Series and Resolution Nos. 6006 through 6020**

Director of Community Development Molloy Previsich presented the staff report on the second hearing of the 15 island annexations. She indicated that public hearings were held on April 12 for every island annexation/prezoning, and that this is the second and final public hearing required in the island annexation process. She addressed the items the Council requested staff investigate as follows: Island #2 – There was a question regarding the parcel owned by the Hernandez family. The Hernandez family expressed concern that they no longer have driveway access to Del Monte and Sanchez Drive. She stated that a lot line adjustment occurred and that the driveway that exists provides access to a parcel. When the adjacent property owners acquired the extra sliver of land, they fenced the area. Unfortunately, this continues to be a private matter between the two property owners whether there is an established prescriptive easement or rights they can pursue to try and be able to use their neighbor's driveway and access Del Monte and Sanchez Drive rather than Hale Avenue. Mayor Kennedy thought there may be a drainage issue along Hale Avenue in this area. She reported that staff took a look at this area and found there had been a drainage issue on Hale Avenue, further south, but that this area is elevated. Public Works staff has indicated there is not a drainage issue in this area. Regarding Island #3, a property owner requested the City pave Sabini Court after annexation. She reported that this is a private street and will not be a public street after annexation. Therefore, street maintenance will continue to be a private responsibility. Staff has received refined information about the assessed value of the parcels to be annexed. The total assessed value of the 15 islands is under \$36 million and does not include the Holiday Lake Estates area. The net amount of property tax revenue to be received by the City is approximately \$29,000 annually. She recommended the Council move forward with each island annexation as listed; conducting a public hearing for each island.

Council Member Tate stated that he would recuse himself from participating in the discussion/action of Island Annexation #17.

ISLAND #1: ANX-05-01/ ZA-05-17: City Of Morgan Hill - Tilton & Hale.

Mayor Kennedy opened the public hearing. No comments being offered, the public hearing was closed.

Action: *On a motion by Council Member Tate and seconded by Council Member Carr, the City Council **Waived** further reading of Ordinance No. 1767, New Series, and **Declared** that the Title which appears on the public agenda shall be determined to have been read; title as follows: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL PRE-ZONING 1.91 ACRES, FROM COUNTY OF SANTA CLARA EXCLUSIVE AGRICULTURE ZONING A-20 TO SINGLE FAMILY R-1-12,000 FOR APNS 764-09-002, 003 & 004 AND PRE-ZONING .01 ACRES FROM COUNTY OF SANTA CLARA EXCLUSIVE AGRICULTURE ZONING A-20 TO PF, PUBLIC FACILITIES FOR APN 764-09-015 FOR APPLICATION ZA-05-17: CITY OF MORGAN HILL-TILTON & HALE;** and **Adopted** Ordinance No. 1767, New Series, by the following roll call vote: **AYES:** Carr, Grzan, Kennedy, Sellers, Tate; **NOES:** None; **ABSTAIN:** None; **ABSENT:** None.*

Action: *On a motion by Council Member Tate and seconded by Council Member Carr, the City Council unanimously (5-0) **Adopted** Resolution No. 6006, approving annexation.*

ISLAND #2: ANX-05-02/ ZA-05-18: City of Morgan Hill -East of Hale.

Mayor Kennedy opened the public hearing. No comments being offered, the public hearing was closed.

Action: *On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council **Waived** further reading of Ordinance No. 1768, New Series, and **Declared** that the Title which appears on the public agenda shall be determined to have been read; title as follows: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL PRE-ZONING 1.85 ACRES, FROM COUNTY OF SANTA CLARA EXCLUSIVE AGRICULTURE ZONING A-20 AND A-SR TO SINGLE FAMILY R-1-7,000 FOR APNS 764-23-017 & 764-24-001, 003, 004 & 005 FOR APPLICATION ZA-05-18: CITY OF MORGAN HILL-EAST OF HALE;** and **Adopted** Ordinance No. 1768, New Series, by the following roll call vote: **AYES:** Carr, Grzan, Kennedy, Sellers, Tate; **NOES:** None; **ABSTAIN:** None; **ABSENT:** None.*

Action: *On a motion by Council Member Sellers and seconded by Council Member Tate, the City Council unanimously (5-0) **Adopted** Resolution No. 6007, approving annexation.*

ISLAND #3: ANX-05-03/ ZA-05-19: City of Morgan Hill - Teresa & Sabini.

Mayor Kennedy opened the public hearing. No comments being offered, the public hearing was closed.

Action: *On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council **Waived** further reading of Ordinance No. 1769, New Series, and **Declared** that the Title which appears on the public agenda shall be determined to have been read; title as follows: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL PRE-ZONING 17.62 ACRES, FROM COUNTY HILLSIDE HS TO RESIDENTIAL ESTATE RE 40,000 FOR APNS 773-32-010, 011, 012, 013 & 014***

FOR APPLICATION ZA-05-19: CITY OF MORGAN HILL-TERESA & SABINI; and Adopted Ordinance No. 1769, New Series, by the following roll call vote: AYES: Carr, Grzan, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

Action: *On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council unanimously (5-0) Adopted Resolution No. 6008, approving annexation.*

ISLAND #5: ANX-05-05/ ZA-05-21: City of Morgan Hill - Cochrane & Mission View.

Mayor Kennedy opened the public hearing. No comments being offered, the public hearing was closed.

Action: *On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council Waived further reading of Ordinance No. 1770, New Series, and Declared that the Title which appears on the public agenda shall be determined to have been read; title as follows: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL PRE-ZONING 36.60 ACRES, FROM COUNTY GENERAL USE A1-2.5 TO SINGLE FAMILY R-1 9,000 FOR APNS 728-36-007 & 008, PRE-ZONING 18.30 ACRES FROM COUNTY GENERAL USE A1-2.5 TO SINGLE FAMILY R-1 7,000 FOR APN 728-36-006 AND REZONING 1.65 ACRES FROM SINGLE FAMILY R-1 9,000 TO SINGLE FAMILY R-1 7,000 FOR APN 728-36-011 AS CONTAINED IN APPLICATION ZA-05-21: CITY OF MORGAN HILL-COCHRANE AND MISSION VIEW; and Adopted Ordinance No. 1770, New Series, by the following roll call vote: AYES: Carr, Grzan, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.***

Action: *On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council unanimously (5-0) Adopted Resolution No. 6009, approving annexation.*

ISLAND #6: ANX-05-06/ ZA-05-22: City of Morgan Hill - Cochrane & Peet.

Mayor Kennedy opened the public hearing. No comments being offered, the public hearing was closed.

Action: *On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council Waived further reading of Ordinance No. 1771, New Series and Declared that the Title which appears on the public agenda shall be determined to have been read; title as follows: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL PRE-ZONING 18.5 ACRES, FROM COUNTY EXCLUSIVE AGRICULTURE A-20 TO PUBLIC FACILITIES FOR APNS 728-34-001 & 008, PRE-ZONING A 34.7 ACRE PORTION OF APN 728-34-006 FROM COUNTY EXCLUSIVE AGRICULTURE A-20 TO SINGLE FAMILY R-1-12,000 RESIDENTIAL PLANNED DEVELOPMENT, PRE-ZONING A 45.03 ACRE PORTION OF APN 728-34-006 FROM COUNTY EXCLUSIVE AGRICULTURE A-20 TO SINGLE FAMILY R-1-20,000 RESIDENTIAL PLANNED DEVELOPMENT AND PRE-ZONING THE REMAINING 41.5 ACRES FROM COUNTY EXCLUSIVE***

AGRICULTURE A-20, TO RESIDENTIAL ESTATE RE 40,000 RESIDENTIAL PLANNED DEVELOPMENT FOR APPLICATION ZA-05-22: CITY OF MORGAN HILL-COCHRANE AND PEET; and Adopted Ordinance No. 1771, New Series, by the following roll call vote: AYES: Carr, Grzan, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

Action: On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council unanimously (5-0) Adopted Resolution No. 6010, approving annexation.

ISLAND #7: ANX-05-07: City of Morgan Hill - Diana & Hill (El Dorado III).

Mayor Kennedy opened the public hearing. No comments being offered, the public hearing was closed.

Action: On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council unanimously (5-0) Adopted Resolution No. 6011, approving annexation.

ISLAND #8: ANX-05-08/ ZA-05-32: City of Morgan Hill - US Hwy 101 & Condit.

Mayor Kennedy opened the public hearing. No comments being offered, the public hearing was closed.

Action: On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council Waived further reading of Ordinance No. 1772, New Series, and Declared that the Title which appears on the public agenda shall be determined to have been read; title as follows: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL PRE-ZONING 6.77ACRES, FROM COUNTY EXCLUSIVE AGRICULTURE A-20 TO PUBLIC FACILITIES FOR APN 728-17-008, AND RE-ZONING A .06 ACRE PARCEL FROM PLANNED UNIT DEVELOPMENT PUD, TO PUBLIC FACILITIES PF, FOR APN 728-34-006 FOR APPLICATION ZA-05-32: CITY OF MORGAN HILL-U.S. HIGHWAY 101 AND CONDIT;** and Adopted Ordinance No. 1772, New Series, by the following roll call vote: AYES: Carr, Grzan, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.

Action: On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council unanimously (5-0) Adopted Resolution No. 6012, approving annexation.

ISLAND #9: ANX-05-09: City of Morgan Hill - E. Dunne-Wong.

Mayor Kennedy opened the public hearing. No comments being offered, the public hearing was closed.

Action: On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council unanimously (5-0) Adopted Resolution No. 6013, approving annexation.

ISLAND #10: ANX-05-10: City of Morgan Hill – Murphy.

Mayor Kennedy opened the public hearing. No comments being offered, the public hearing was closed.

Action: *On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council unanimously (5-0) **Adopted** Resolution No. 6014, approving annexation.*

ISLAND #11: ANX-05-11/ ZA-05-33: City of Morgan Hill - Condit & Murphy.

Mayor Kennedy opened the public hearing. No comments being offered, the public hearing was closed.

Action: *On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council **Waived** further reading of Ordinance No. 1773, New Series, **Declared** that the Title which appears on the public agenda shall be determined to have been read; title as follows: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL PRE-ZONING 18.85 ACRES, FROM COUNTY EXCLUSIVE AGRICULTURE A-20 TO GENERAL COMMERCIAL CG, FOR APN 817-12-006 & APN 817-12-009 FOR APPLICATION ZA 05-33: CITY OF MORGAN HILL-CONDIT & MURPHY;** and **Adopted** Ordinance No. 1773, New Series, by the following roll call vote: AYES: Carr, Grzan, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.*

Action: *On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council unanimously (5-0) **Adopted** Resolution No. 6015, approving annexation.*

ISLAND #12: ANX-05-12: City of Morgan Hill – Dewitt.

Mayor Kennedy opened the public hearing. No comments being offered, the public hearing was closed.

Action: *On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council unanimously (5-0) **Adopted** Resolution No. 6016, approving annexation.*

ISLAND #13: ANX-05-13/ ZA-05-23: City of Morgan Hill - Tennant & Railroad.

Mayor Kennedy opened the public hearing. No comments being offered, the public hearing was closed.

Action: *On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council **Waived** further reading of Ordinance No. 1774, New Series, and **Declared** that the Title which appears on the public agenda shall be determined to have been read; title as follows: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL PRE-ZONING 1.56 ACRES, FROM COUNTY AGRICULTURAL A-20A TO LIGHT INDUSTRIAL ML, AND 1.17 ACRES TO PUBLIC FACILITIES PF, FOR APN 817-06-053 & 817-06-054 FOR APPLICATION ZA-05-23: CITY OF MORGAN HILL-TENNANT AND RAILROAD;** and **Adopted** Ordinance No. 1774, New Series, by the following roll call vote: AYES: Carr, Grzan, Kennedy, Sellers, Tate; NOES: None; ABSTAIN: None; ABSENT: None.*

Action: *On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council unanimously (5-0) **Adopted** Resolution No. 6017, approving annexation.*

ISLAND #14: ANX-05-14: City of Morgan Hill – Monterey.

Mayor Kennedy opened the public hearing. No comments being offered, the public hearing was closed.

Action: *On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council unanimously (5-0) **Adopted** Resolution No. 6018, approving annexation.*

ISLAND #16: ANX-05-16: City of Morgan Hill - Diana & Jasmine.

Mayor Kennedy opened the public hearing. No comments being offered, the public hearing was closed.

Action: *On a motion by Council Member Tate and seconded by Council Member Sellers, the City Council unanimously (5-0) **Adopted** Resolution No. 6019, approving annexation.*

ISLAND #17: ANX-05-17/ ZA-05-35: City of Morgan Hill - W. Edmundson & Piazza.

Council Member Tate recused himself from Island #17 and excused himself from the Council Chambers.

Mayor Kennedy opened the public hearing. No comments being offered, the public hearing was closed.

Action: *On a motion by Council Member Sellers and seconded by Council Member Carr, the City Council **Waived** further reading of Ordinance No. 1775, New Series, and **Declared** that the Title which appears on the public agenda shall be determined to have been read; title as follows: **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL APPROVING A ZONING AMENDMENT TO REZONE A SINGLE 2.30 ACRE PARCEL LOCATED ON THE SOUTH SIDE OF WEST EDMUNDSON AVENUE, ACROSS THE STREET FROM COMMUNITY PARK FROM MULTI-FAMILY LOW R-2 3,500 RESIDENTIAL PLANNED DEVELOPMENT TO MULTI-FAMILY MEDIUM R-2 3,500. (ZA-05-35: W. Edmundson-Piazza); and **Adopted** Ordinance No. 1775, New Series, by the following roll call vote: AYES: Carr, Grzan, Kennedy, Sellers; NOES: None; ABSTAIN: None; ABSENT: Tate.***

Action: *On a motion by Council Member Sellers and seconded by Council Member Carr, the City Council, on a 4-0 vote with Council Member Tate absent, **Adopted** Resolution No. 6020, approving annexation.*

Council Member Tate took his seat on the Dais.

Redevelopment Agency Action

OTHER BUSINESS:

19. LEADERSHIP MORGAN HILL – 2006 CLASS PROJECT

Special Assistant to the City Manager Spier informed the Council that the Leadership Morgan Hill Class of 2006 would be making a presentation to the Council regarding a public art project the Class would like the Council to consider.

Maureen Drwiany, Leadership Morgan Hill 2006 Class member, informed the Council that there were other Leadership 2006 class members in attendance: Donna Foster, Dan Ehrler, and Gary Winzeler. She informed the Council that the Leadership Morgan Hill Class of 2006 has decided to raise funds to purchase a piece of outdoor public art for the new library. As the class began to look at the different possibilities, the class researched the possibility of a custom piece of art work; talking to two local artists and one sculptor with a local connection. However, the class quickly determined that a custom piece of art would not work within the timeframe they have or their budget. She stated that the class is considering three different items as they move forward: 1) the art piece is to represent and reflect reading, in some way; 2) the size of the statue is to be as close to life size, if not life size, as possible; and 3) reflects age diversity (e.g., an older person reading to a younger person).

Ms. Drwiany addressed the Class' fundraising efforts. She informed the Council that the Class has collected \$1,000 to date. The next fundraiser will be the sale of 200 local Morgan Hill merchant coupon packets. These will be available for purchase at \$20 each; generating \$4,000 toward the project. The class will conduct a flea market on June 24 at the San Martin Country Park that will raise approximately \$2,500. The class will be selling spaces for \$50 as a donation to Leadership Morgan Hill. Other fundraising efforts include "change jars" that will raise approximately \$800; pursuing corporate donations, and anticipate matching funds from Information Inc. of \$2,500. These fundraising efforts amount to approximately \$9,000 plus the \$1,000 already raised for a total of \$10,800 in revenue for the class project. She informed the Council that the piece of art work presented costs \$6,800 and includes shipping and handling. It will cost approximately \$1,000 to install the art piece. Therefore, the Class is well within reach of the class project if their fundraising efforts go as planned. If not, the Class has other choices it can make for a less costly piece of bronze sculpture. She informed the Council that any amount collected above what is needed to purchase and install the art piece will be donated to the Friends of the Library. She identified the proposed location for the piece of art/bronze sculpture. It is the Class' hope to be able to present the art sculpture to the City and the Library by September 1. She noted that the new library will still be under construction. Therefore, they are looking at the feasibility of having the art work displayed at another civic building not under construction. At the point the art work is installed at the new library, the art work will become the responsibility of the City for maintenance and liability. She informed the Council that the Class presented the idea to the Leadership Morgan Hill Board and the Friends of the Library where the project was warmly received. Representatives of the Class met with City staff and made a presentation at the Library, Culture & Arts Commission at their last meeting. She requested Council acceptance of the project and the art work based upon the examples provided.

Mayor Kennedy opened the floor to public comment. No comments were offered.

Action: *On a motion by Agency Member Sellers and seconded by Agency Member Carr, the Agency Board unanimously (5-0) **Accepted** the public art piece for the new Library and site location.*

City Council and Redevelopment Agency Action

OTHER BUSINESS:

20. PROPERTY BASED IMPROVEMENT DISTRICT (PBID)

City Manager/Executive Director Tewes informed the Council that staff is recommending this item return to the Council/Redevelopment Agency Board at its June 7 meeting. He said that this is an issue relating to the establishment of a special assessment district within the downtown. He informed the Council that the proponents of this assessment district have made great progress in obtaining support from potential owners and businesses that would pay the assessment. In light of some recent changes in the law and court cases, staff would like the opportunity to make sure the documentation for the assessment district is appropriate. He informed the Council that staff has consulted with the proponents of the District and that they concur with staff's recommendation to return to the Council/Agency Board at its next meeting.

Action: *On a motion by Council/Agency Member Carr and seconded by Council/Agency Member Sellers, the City Council/Agency Board unanimously (5-0) **Continued** this item to June 7, 2006.*

City Council Action

OTHER BUSINESS:

21. UNITED WAY 2-1-1 PROGRAM FUNDING REQUEST

Special Assistant to the City Manager Spier informed the Council that on April 26, staff was before the Council regarding United Way's proposal for their 2-1-1 Call Center. At that time, the Council requested United Way return with a presentation describing the program. She informed the Council that Mark Walker, President and CEO of United Way would be providing the Council with a presentation on the 2-1-1 Call Center.

Mayor Kennedy opened the floor to public comment.

Mark Walker, President/CEO for United Way, presented a power point presentation on the 2-1-1 Call Center, a county-wide system designed and required by the Public Utilities Commission (Commission) to be put forth on a county-wide basis. He informed the Council that the Commission allows for one entity to file and be approved as the legally responsible entity to make this service available. He stated

that United Way Silicon Valley is willing to take on this role for Santa Clara County. He indicated that they have been working on the information and referral project for approximately 4-years. He addressed the benefits of 2-1-1: 1) it is easy for individuals to get help for human service needs or to volunteer to provide assistance. 2) It is excellent for disaster assistance. 3) It off loads a lot of non emergency calls from the 911 system. 4) It is an incredible data source on the issues facing communities based on the call volume. 5) 2-1-1 is a telephone number as well as a website. He said that 2-1-1 is a national initiative and that United Way of America, along with the Alliance of Information and Referral System, have been coordinating efforts to integrate this call system internationally. In California, United Way has been playing a strong leadership role to get 2-1-1 rolled out on a state-wide basis. It is United Way's goal to have 18 counties, and 80% of the residents in the State covered by the end of 2007 with a longer goal to make sure that every resident in California have access to 2-1-1. He informed the Council that is United Way's goal to bring 2-1-1 on line in Santa Clara County by March 11, 2007.

Mr. Walker addressed the quality standards associated with service delivery and the features surrounding the 2-1-1 Call Center. He said that United Way receives approximately 600-700 calls for help per month for rental housing/utility assistance. He said that questions on immigration are not heavy at this time, but will be a part of the call center referral. He addressed the cost assumptions that are based upon approximately 5% of the population in the County calling 2-1-1 within a year. He said that the national average is between 6%-8% of a population base. He informed the Council that the average calls in California for information and referral service providers is at approximately 3%. This is attributed to a moderate level of outreach and advertising. As United Way rolls out 2-1-1, they will increase advertisement and will reach 5% of the total population base in the County. He stated that on a national basis, 30%-50% of the 911 calls are non emergency type calls. Having another type of service would help relieve some of the resources of 911 centers. Of the calls going to 2-1-1 centers, 7% come directly from 911 centers. Therefore, 2-1-1 is helping to off load some 911 calls.

Mr. Walker stated that United Way decided to proceed with a regional model and not with a county by county model as the cost would be twice as much. United Way proceeded with an RFP process; receiving two proposals. One proposal came in from San Francisco and the other came from Ventura County, the first 2-1-1 call center in California. He indicated that Ventura County's proposal was at ½ the price and was extremely good on the quality side. United Way chose to partner with United Way in Ventura County for a couple of years. He clarified that it is the goal to have a call center in the Bay area where all counties in the bay area can consolidate and take advantage of the marketing. He clarified that United Way Silicon Valley will conduct a local data base and local marketing. They will keep a few of their multi lingual call center specialists in Santa Clara County offices where these calls will be handled locally. United Way will have an advisory committee comprised of members who have been on the steering committee. Should the Council decide to have a representative on the advisory committee, he requested that he be notified. He said that an individual in Santa Clara County would not likely have a local person answering the initial call, but that the response will come back to a local agency to provide assistance to the individual. He stated that it does not make sense to have a call center in every county in the State. He said that there may be one regional call center somewhere in the bay area at some point in time.

Mr. Walker stated that United Way is looking at a public-private partnership. They are approaching the City of San Jose, Santa Clara County, as well as all other cities in the County. United Way is also contacting a number of for profit private entities and corporations. He informed the Council that United Way has one major donor contributing at the \$100,000 level. He said that United Way Silicon Valley and several other non profits are also exploring funding. He said that United Way's board contributed \$150,000. He stated that United Way Silicon Valley is trying to get a good mix of participants to assist in making this service available for all county residents.

Mr. Walker addressed the milestones associated with this project. It is felt that an application can be filed with the Public Utilities Commission within the next month. It takes six months for the Commission to approve the application. It is his hope to have formal approval by the end of this year. He said that United Way is hoping to have as much of the operating cost pledged or approved by June 30, 2006; recognizing that there will be more fund development taking place in the next six months or so; leading up to bringing up the 2-1-1 service on line in February 2007. He stated that he is pleased with the cities and the County's responses; given the challenging budget times. He informed the Council that they estimate approximately 40,000 calls during the first full year of operation, but will increase to approximately 100,000. He informed the Council that it usually takes a person approximately 7 phone calls to find the right agency to assist them. The 2-1-1 call center would cut the calls to 2 phone calls. Therefore, 2-1-1 would be saving individual's time and get them connected to social service provider quicker.

Mayor Kennedy opened the floor to public comment. No comments were offered.

Mayor Kennedy noted that Morgan Hill does not have a social service/human services department, and that a fair number of these calls come into the City Clerk's office or to the Mayor's office. For a city of Morgan Hill's size where it has a small staff that is not focused on human/social services, a service such as 2-1-1 would be valuable and helpful. He felt that 2-1-1 would save calls to 911, save City staff time, and would provide a more efficient way of getting a caller to the services needed. He encouraged the Council to support the request for funding.

Council Member Sellers noted the Council held its budget deliberation last week and understood the City's shortfalls. However, he felt the Council could justify this program short term and long term. He said that one of the biggest concerns that any social service provider has is that they are not reaching individuals in need of services. He noted the Council received a presentation on the City's dispatcher of the year this evening and about how hard these individuals work. He said that 2-1-1 would give dispatchers the opportunity to focus on the critical calls that come in and be able to off load the ones that are not as critical. He felt it would be better to refer individuals to social service assistance at the front end versus a call for police service at the other end when it is a critical situation. He acknowledged that it would be difficult for the Council to figure out where it will find the resources to fund 2-1-1, but felt it made sense to fund this program. He noted that the Bay area is considered as a single media market, and is very difficult to penetrate. He inquired whether thought was given to get all Bay area counties on board to fund 2-1-1.

Mr. Walker said that United Way has been collaborating with San Mateo, Santa Cruz and Monterey counties for a great period of time, recognizing that they need to do something. They learned last year that each county was in a different place in terms of readiness to get engaged. He stated that for some reason, San Mateo has not been a part of San Francisco's help link program. He felt that San Francisco is doing a great job in cultivating leadership in San Mateo County, at this time, but that it would take a little longer for San Mateo County to come on line. He agreed that the value of marketing the message of 2-1-1 availability in the Bay area is critical for all counties to be a part of this program.

Mayor Pro Tempore Grzan inquired whether performance criteria were built into the 2-1-1 Call Center.

Mr. Walker responded that he could not tell the Council what the quantity standards are today, but that standards would be developed. He noted that calls to the 2-1-1 Call Center are not usually life threatening situations; therefore, you have a little more latitude as to how quickly you need to answer calls. However, you want to keep up quality customer service. He indicated that United Way will look at how many calls are abandoned and how many individuals hang up before someone answers their call. They will also look at how many calls within a certain period of time can one individual take and how effective they are, etc.

Mayor Pro Tempore Grzan stated his support of the 2-1-1 Call Center effort. However, he was not sure about the funding level. He said that he would agree to support some sort of funding for this effort.

Council Member Tate agreed that it would be well worth the City's interest to get into and be a part of the 2-1-1 call center. He appreciated the comments of alleviating some of the pressures on the City. However, in terms of level of funding with the City's budget situation, he would support \$3,700 in funding. This level of funding would be the same commitment made by the City of San Jose and Santa Clara County for a one-year period as he did not believe the City should commit itself beyond the one-year period.

Action: *Council Member Tate made a motion, seconded by Council Member Carr, to **Approve** Funding United Way's 2-1-1 Call Center for \$3,700 for a one-year period.*

Mayor Pro Tempore Grzan encouraged Mr. Walker to return next year to determine the City's financial conditions. Hopefully, the Council will be able to fund at the same or higher level at that time.

Council Member Carr felt it would be important for United Way to look at long term funding and advice the Council as to the long term strategy for funding before the Council makes the long term commitment.

Mayor Kennedy stated that he would support greater funding such as \$5,000, however, he would support the motion made with the recommendation that United Way return next year to see if the funding commitment from the City can be increased.

Vote: *The motion carried unanimously (5-0).*

22. 2005 ANNUAL CONSUMER CONFIDENCE REPORT REGARDING WATER

Director of Public Works Ashcraft distributed supplemental information to the Council relating to this item. He reported that the State of California's Department of Health Services Drinking Water Program regulates the drinking water in Morgan Hill as it does for all municipal public water suppliers within the State. He said that one of their guidelines requires the City to produce a written report on the quality of water in the previous year to each of the City's water consumers. What was distributed to the Council this evening is a slight change to what was contained in the Council's packet regarding the 2005 Consumer Confidence Report to be mailed to all residences and businesses by July 1, 2006. The Report informs the community of the water quality for calendar year 2005 and identifies problems associated with exceeding the State's standards. He reported that the City has not had any abnormalities in water quality and that the City's water meets or exceeds State standards. He informed the Council that the Utilities and Environmental Committee reviewed the information this week and that changes were distributed to the Council this evening based upon a recommendation from the Committee. He stated that a couple of sentences were added to the Water Quality Report that address potential negative health affects if substantial amounts of perchlorate were to be ingested.

Mr. Ashcraft informed the Council that one of the important items discussed at the Committee level was late breaking news regarding perchlorate. He said that staff continues to believe that perchlorate emanated from the Olin site while Olin continues to assert that perchlorate is emanating from other sources. The Regional Water Quality Control Board, in their ensuing endeavor to decide who is responsible for the perchlorate contamination, is making certain inquiries. They requested the City's oldest history regarding perchlorate results on the Dunne 2 well as they realized the City tested this well monthly for the past three years to the State held detection to 4 parts per billion (ppb). They requested the City ask its lab to go back and look at these results to see if they can estimate values less than 4 ppb. He informed the Council that City staff asked the lab to review the levels and indicated that the second attachment contains these results. Based upon new lab technology, traces of perchlorate can be estimated to a detection level of 1.3 ppb. He said that this information will be posted on the City's website as a separate indication of perchlorate in terms of an estimation of perchlorate at the Dunne 2 well. Staff has found that the levels of perchlorate have been reducing over the past 3 years, similar to the reduction of the concentration of the major plums going south from the Olin Corporation site.

Mr. Ashcraft informed the Council that the Utilities & Environmental Committee reviewed this information and recommends the City provides as much information to the public regarding what the new results mean. He indicated that staff will include information on the City's website that more fully describes the current status of perchlorate in South County. Staff will include information about the current status of the maximum contaminant level (MCL). He noted that California does not regulate perchlorate, but that there has been a lot of discussion about developing regulations in the past 2-3 years. He said that the State indicates that by the end of 2006, they may have an MCL. Currently, the State has a public health goal and notification level of 6 ppb. Therefore, the perchlorate the City is reporting to the public in this report is much less than this amount at 4 ppb.

Mr. Ashcraft further informed the Council that the Utility & Environmental Committee reviewed the City's past practice that it will take a well off line or treat the well if at any time it is found that there is

perchlorate above 4 ppb, less than the current State standard of 6 ppb. The Committee reaffirms this standard, and is not suggesting the Council change the standard at this time. The Committee recommends the City continue to treat water if it is found that perchlorate is at 4 ppb. The Committee clarified, in the case of the Nordstrom well, that there is specific results reported down to 2 ppb for this well that must be reported monthly to the Department Health Services when the City is operating its perchlorate removal system. He said that in summer 2005, the last time the City operated the Nordstrom well, staff conducted testing twice a week in accordance with City regulations. Once water tests at 4 ppb, the Committee and staff recommends the City continue to treat through the next year as a policy. Therefore, it is being recommended that for the summer of 2006, the City continues to treat the Nordstrom well for perchlorate. Sometime prior to this time next year, staff will bring forth to the Council the results of the testing and a decision will be made as to whether the City will run the perchlorate removal system again.

Mayor Kennedy said that he understands that the Regional Water Quality Control Board approved a procedure in the San Martin plume area where residents would be provided bottled water for areas that exceed 6 ppb. If a well does not detect perchlorate in excess of 6 ppb in 2-3 successive tests, then bottled water will no longer be provided.

Mr. Ashcraft clarified that if testing shows less than 6 ppb in 4 quarters, bottled water will no longer be provided.

Mayor Kennedy suggested the City use a similar policy for the Nordstrom well. If the Nordstrom well detects below 4 ppb, the well no longer needs to be treated.

Mayor Pro Tempore Grzan, chair of the Utility and Environmental Committee, indicated that the Committee met and made changes to the initial proposed Water Quality Report to the public. He stated that the changes made identify the hazards of perchlorate in terms of risk. This would be consistent with what the City has been doing with regards to lead, copper and nitrates in the City's water system. He said that the issue of perchlorate is an issue that continues to be of concern to the community as the City is not sure what the State will do. The Committee discussed actions taken by other states such as the state of Massachusetts which adopted a 1 ppb MCL. Also, discussed was what the American Academy of Science did recently in terms of setting a maximum level. However, he felt that in Morgan Hill, perchlorate continues to be a serious issue that remains unresolved. The more information the City can give the community regarding the issue of perchlorate, citizens can in turn, make decisions on what they want to do based on the information provided. He indicated that the Committee agrees to what the Public Works Director has put together as a Water Quality Report, and that it believes it should be distributed to the public.

Mr. Ashcraft clarified that the Committee and staff recommends the Nordstrom Well perchlorate removal be put back on line as it is a budgeted item. Therefore, it will not affect the City's current perchlorate surcharge. However, if results drop below where the readings were last year, staff will not recommend the City run the removal system next summer. He noted that Nordstrom detected 4 ppb once last year with most test results being at 2-3 ppb with the average being 2½ ppb throughout the year. The 2-3 years prior to last year, the average test was at 3½ ppb. The Committee and staff believe it

makes sense to treat Nordstrom well this summer and that by November, he would report back to the Council whether the removal system needs to be up and running in the summer of 2007.

Mayor Kennedy noted that the MCL has not been established by the State. Therefore, the City is taking steps to protect its residents in the drinking water. He stated that the Water Quality Report will be published and that all residents will be able to review information regarding the health affects of all chemicals, including perchlorate. If an MCL level was in place, the City would have to follow State standards. As the MCL does not exist, in abundance of caution, the City will be limiting the amount of perchlorate in the City's water to 4 parts per billion.

City Manager Tewes indicated that there is the opportunity for the Council to provide direction to staff about the distribution of the Consumer Confidence Report per the amended agenda.

Council Member Sellers said that in reading through the report, it notes several other chemicals contained in the City's water, in particular nitrates. He noted that high nitrate levels can interfere with an infant's ability to carry oxygen in the blood stream. Iron and lead are also a concern. He indicated that these items have MCL detect levels of some sort. Given the preponderance of evidence on perchlorate, it has been found that the City's wells are well below the scientific evidence presented. He said that he was having difficulty in looking at the amount of money and effort the City is expending on perchlorate in trying to eliminate it versus some of the other items. He said that it would be easier to move forward with staff's recommended action. However, he felt the action to be disingenuous in that the City is doing something that no one else in California is doing as the City is proceeding in abundance of caution.

Mayor Pro Tempore Grzan said that the difficult thing about perchlorate is that it is inconclusive in what it does. It was only recently that perchlorate was able to be detected to the level being seen. Each week, the City hears about an indictor regarding in the relationship of perchlorate and some health caution to the public. Unlike nitrates and irons that have been studied to great detail, perchlorate is still an unknown in terms of what it can do and how it relates to public health. He felt the action taken should be on the side of caution and in the interest of the public; particularly to those populations that are most affected. He felt the City should provide its residents the information and let them make choices regarding drinking bottled water or drinking from the tap. He noted that the EPA has yet to come out with a definitive maximum contaminant level and the State has yet to come out with a definitive statement about perchlorate. He felt the City should error in the side of caution even though there are costs involved. He said that he could not place a dollar value on the public's health and felt the City needs to invest until such time that it can be determined how perchlorate affects citizens. He said that he would continue to promote the use of City resources to protect the public until the affects of perchlorate have been determined. He noted the City has the ability to determine the level of perchlorate below 4 ppb and that sometime in the future, he would encourage reporting to the public actual readings. He did not believe the term "none detect" means there is not the presence of perchlorate in the water system. Using the term none detect gives a false elusion to the pubic when, in fact, it is a reporting requirement. He would like the City to add something to the report that states that what is being reported is required by the State, but that the City has actual numbers to suggest there is a level of perchlorate in the City's water system.

Action: *Mayor Pro Tempore Grzan made a motion, seconded by Mayor Kennedy, to continue the current policy to treat the well or take the well off line.*

Council Member Carr inquired whether the Committee came to the conclusion that the detectible levels of perchlorate are dropping.

Mayor Kennedy said that at the San Martin perchlorate working group meeting, there was a conclusion, on the part of everyone in attendance that the levels of perchlorate are dropping in the entire plume area. He stated that the number of wells that exceeded 4-6 ppb has dropped dramatically

Mr. Ashcraft said that there were 300-400 wells testing over 6 ppb a year ago. Currently, there are less than 30 wells testing over 6 ppb, a substantial drop.

Council Member Carr noted that an issue with the policy in the past is that during hot summer months, more water is used for things such as irrigation. He felt the City runs the risk of not having enough water for adequate fire protection. He inquired whether the Committee addressed how the City can take this into account in light of the fact that the City is seeing a trend of reducing the amount of perchlorate in the City's water.

Mayor Kennedy responded that the Committee did not discuss a demand for water versus capacity, or the affects of the water system based on this action.

Mr. Ashcraft informed the Council that the Condit well can produce water, but that the City has not produced water from this well in the past 3 years. He stated that it is a small well that produces 200 gallons of water per minute. This well has detected up to 5 ppb several times and that it was not cost effective to treat this well for this small volume of water. Therefore, it is staff and the Committee's recommendation that the Nordstrom well go on line with treatment in order to meet fire flow.

Mayor Kennedy opened the floor to public comment. No comments were offered.

Vote: *The motion carried unanimously (5-0).*

23. REVIEW OF COUNTY LAND USE INITIATIVE

Director of Community Development Molloy Previsich presented the staff report, indicating that an organization called the People for Land and Nature Plan has submitted an initiative to the County for the November Ballot. The initiative would amend the County's general plan and modify certain land use regulations for the hillside, ranch lands and agriculture large scale land use designations. She clarified that the initiative would not affect land use designations in other County land use designations or lands within the City limits. She stated that the supporters of the initiative have requested the Council consider endorsing the initiative. She informed the Council that the organization made a presentation before the Regional Planning & Transportation Committee. However, the Committee did not take a position regarding the initiative, but instead decided that the entire Council should consider the matter and whether to support it as a Council. She addressed some of the major changes proposed by the

initiative. She informed the Council that the proposed standards are generally consistent with the recommendations of the Urban Limit Line and Greenbelt Study. It was a goal of the Study that the City of Morgan Hill work with the County to come up with approaches that would discourage ridgeline development and that homes be sited such that there are no aesthetic impacts when viewed from the valley floor. She stated that the Santa Clara County Planning Department is working on view sheds, hillside and ridgeline development standards, and that this initiative would create the standards by the voters. As such, any future changes would need to be approved by the voters.

Ms. Molloy Previsich indicated that staff recommends the Council consider whether or not the City should adopt a formal position. She said that Council members could take a position as individuals, and not take a formal city position. She informed the Council that the Santa Clara County Board of Supervisors have not taken a position on this initiative, but that it may be possible that they may take a position later this summer. The Council could also defer consideration of this matter until the Board has indicated its preference. A third alternative for the Council to consider is to endorse the initiative at this time; noting that a resolution has been provided should the Council decide to take this action. She said that given this is governmental regulations, staff believes it best to let the County decide what is best for the County. The County can either support the initiative or pursue promulgating its own regulations or changing its own regulations.

Mayor Pro Tempore Grzan noted that it was indicated that recommendation items 1-6, as contained in the report, are generally consistent with the recommendations of the Urban Limit Line, noting that the County was a participant in the Urban Limit Line Committee. He indicated that the County agreed to the items before the Council.

City Manager Tewes stated that representatives from the County planning department participated in the Urban Limit Line Committee and provided advice/guidance throughout the process. However, County planning staff made it clear that they were not representing County government and that they did not participate in any of the actions/votes taken.

Mayor Pro Tempore Grzan noted that the County was interested in the City's thoughts on the unincorporated lands surrounding the City; specifically inquiring as to the uses the City would have exceptions to. During the Urban Limit Line process, there was interchange of information between the City and County staff.

Ms. Molloy Previsich said that County staff was in general support of the principles. It was her understanding that County staff has drafted their own set of proposed changes to regulations in order to address view sheds and ridgeline development. Staff is not sure as to what schedule this process is on, but that it is not consistent with the initiative.

Mayor Pro Tempore Grzan expressed concern with staff's recommendation that the Council not take action on an initiative that affects another governmental agency that has not yet endorsed the initiative. He noted that unincorporated lands surround Morgan Hill and that he did not understand why the Council would not want to make a recommendation to the County on issues that affect the quality of life.

City Manager Tewes said that the issue before the Council is a specific ordinance adopted by a group of citizens who in return circulated a petition. The ordinance was not prepared in the typical governmental process where public hearings are afforded and there is opportunity for review and comment. Yet, the County has indicated they are reviewing the very principals behind the City's urban limit line planning effort. He noted that the Council is not being asked to adopt a set of principles or guidelines this evening. The Council is being asked by the proponents of the initiative to adopt this specific ordinance. As the ordinance is specific and the governmental process has not been played out, staff does not believe it appropriate to take action at this time, although the Council can take whatever action it wishes.

In response to Council Member Tate's question, Ms. Molloy Previsich said that should the initiative be approved by the voters, there is a question whether the South County Joint Area Plan policies would be affected, noting that these policies have been incorporated into the City's general plan. She stated that the County has incorporated some policies in their general plan. She did not know what affect the initiative would have on the City's ability to retain the policy(ies). Should the initiative pass, the City may need to make its policies consistent with what may go into affect. This could be a future workplan item for City planning staff. Otherwise, she did not believe the initiative would have an impact on future work plans, only on the short term should the Council direct staff to perform an analysis of the County governmental proposal versus what the initiative ordinance proposes.

Council Member Carr noted that the South County Joint Area Plan is something that Morgan Hill, Gilroy and the County makes decisions on today.

Ms. Molloy Previsich said that it was her understanding that the City of Morgan Hill has made a concerted effort to retain these policies even though the City has conducted general plan updates. She stated that these policies are still a part of the City's general plan. She was not sure if Gilroy and the County have the same rigor as Morgan Hill.

Mayor Kennedy opened the floor to public comment.

Michele Beasley, representing Greenbelt Alliance, encouraged the Council to endorse the Santa Clara County Land Conservation Initiative. She said that the initiative would require the County to direct growth where it should occur; within existing cities and towns. It is felt that sprawl development would continue to occur; cutting up the landscape. Allowing sprawl to occur would have terrible implications on traffic congestion, air quality, and the over all quality of life. As far as the South County Joint Planning agreement, she felt this initiative would take things a step further as far as restrictions being placed on the county, but not necessarily on cities. She stated that that the Santa Clara County Board of Supervisors can place additional restrictions on development without needing to go to a vote of the people. It is only when there is a weakening of the restrictions that would necessitate a vote. It was here belief that the initiative would be in Morgan Hill's best interest and would complement the City's urban limit line/greenbelt study. She felt it important to note that the initiative would not prevent the City from annexing land. She noted that most of the lands have been zoned agricultural, ranch land or hillsides for many years and have been taxed accordingly. The initiative aims to preserve the lands for the uses for

which they have been zoned. She said that the decision made today would determine the future of our children.

Chris Bryant, South County Association for Realtors, stated that if this initiative only dealt with increasing the minimum parcel size and view sheds, he would not be in attendance this evening. He felt the initiative goes far beyond this and would redefine permitted uses of ranch lands and hillsides. It would provide very explicit restrictions that remove all flexibility from County officials who are elected to make these decisions. He felt that many parts of the initiative are inconsistent, and introduces terms that will be standards such as “necessary” and “essential” that are not defined in any current standards or planning documents. He felt that the rough interpretations would be tighter terms than currently applied anywhere. The initiative would also extend protection to candidate species and would be a litigation issue that could cause a lot of expense to the County. He felt that the initiative would add barriers to an agricultural processing project. It could also cause impacts to local wineries; noting that many wineries are located in hillside zoning areas. There are restrictions on allowable processing where individuals can only process products grown nearby in similar zoned hillside areas. If new compatible uses arise, there is no flexibility unless taking to a vote of the people to allow those uses. He urged the Council not to endorse the initiative and to oppose the measure.

Margaret Vierra, representing the South County Realtors Association and the Santa Clara County Association of Realtors, opposes the initiative in its entirety as it eliminates the ability to construct secondary dwelling/granny units. She noted that the County currently has restrictive guidelines that they adhere to. If an individual has 1-2.5 acres, you can construct an attached granny unit up to 640 square feet. Having 2.5 acres and above would allow the construction of up to 1,000 square foot secondary dwelling unit. With the aging population, this initiative would eliminate the ability to construct secondary dwelling units and removes the flexibility for all future generations. She felt that this was an unacceptable restriction.

Chuck Dillmann said that no growth is not any better than run away growth as they both have problems. However, the proposed initiative leans toward no growth. He felt that what is missing is an overall plan/vision of what South County should be. Should the density be cut in half, as this initiative does, it would be great except for the individuals residing in the low density areas as they may have to pay a premium price in order to receive minimum services. There would not be enough individuals who would be able to pay for their fair share of these expenses. As an alternative, cities may need to contribute toward essential services. With a vision for what South County should be 20-40 years from now, you can put together whatever changes are needed through zoning, construction regulations, etc. He felt that zoning should be planned logically. He did not believe that handling a complex issue such as this should be taken to the voters. The voters should be allowed to select the people who will make these decisions. He recommended the Council send forward a negative opinion on this item and that it asks the County to participate in a carefully thought out and detailed plan; leading to a final conclusion. He did not believe a zoning designation of agriculture will promote agriculture. Only the economic situation will encourage agriculture.

Shanna Boigon, representing the Santa Clara County Association of Realtors, indicated that Santa Clara County is respected by counties throughout the State of California for what it does. She stated her

opposition to the initiative because it bypasses what has been put into place; task forces. Should the initiative be passed by the voters, the voters will lock up lands such that the City will not be able to work with the County or the City of Gilroy to make decisions on what is best for the community. She felt that revisions to the Williamson Act will take care of a lot of issues and concerns associated with the initiative; noting the County recently adopted an ordinance that will address the Williamson Act. She stated that some of the properties in the Williamson Act will turn into open space. She felt it important to continue with the process in place; taking input from volunteer task force members, landowners, environmentalist, other stake holders and planning staff and work together to come up with a plan that everyone can work with. She felt that individuals are elected/appointed to make decisions. She indicated that the County is looking at development on hillsides and ridgeline; inviting individuals to provide input. She felt that this process needs to be continued. She said that the lawsuits that would result from this initiative would be astronomical. She requested that the Council oppose the initiative.

Gary Winzeler informed the Council that he is involved in real estate; both commercial and residential. He did not believe the initiative was a way to change the existing general plan. He felt the initiative was contrived behind closed doors by special interest groups without public hearings, nor input from landowners who will be affected. There has not been any input from County staff. He felt the initiative would be biased toward the special interest group. He stated that he visited five different sites where signatures were being gathered. Potential signers were being told that the initiative would stop thousands of homes from being built on the hillside and eliminate large subdivisions over the hills; keeping them open and beautiful. He requested that he be allowed to explain what the initiative was really about. These individuals indicated that they were not there to listen to the details of the issue, but to gather signatures for the initiative; noting that they were getting paid to gather signatures. Should this initiative be approved by the voters, it can only be changed by a similar process. He agreed that land use plans are needed and that they are in place. He felt that the County is working toward improving the plans with the land owners and through the public hearing process. It was his belief that the initiative takes land away from landowners. He noted the initiative would prohibit granny units, and this is wrong. He informed the Council that Santa Clara County has 27 parks; comprising of 45,000 acres. Further, Santa Clara County has the largest state park in northern California consisting of 87,000 acres. He noted the size of Santa Clara County is 841,600 acres; and that 16% of this is County dedicated public park land. He requested the Council oppose the initiative and that those who have supported the initiative withdraw their endorsements.

Craig Breon informed the Council that he no longer works for the Audubon Society. However, he worked on this initiative and that he was involved in the preparation of the initiative for approximately 3 years. He said that it could be that signature gatherers may have exaggerated the impacts. He clarified that the initiative was shared with County staff and that it was shown to land owners. He said that if the County Board of Supervisors felt a change was needed in the future, they could place their own measure on the ballot to change things. They would not be required to gather citizen signatures to place their measure on the ballot. He clarified that there is nothing that would take a piece of land from a land owner or give lands to the public or any other private entity. He agreed that most initiatives, similar to this one, result in law suits, but all passed legal standards for takings. He noted that this initiative and most initiatives include language that if takings were to occur, this would invalidate an initiative. He said that the initiative has been prepared, over time, with input from current and past County staff, the

County Board of Supervisors, City representatives, and planners in the region. He stated that the initiative was shown to several individuals. He noted that public hearings are not normally held for the citizen initiative process. He felt that this initiative would qualify and individuals will have the opportunity to vote on whether it is a wise initiative or not. He wanted to make sure that the debate is as clean as possible. He felt that the authors were careful in crafting the initiative and stated his support of the initiative. He said that it has been heard that there are flaws associated with the Williamson Act process and that they are being corrected. He stated that it is virtually impossible to write a document without some flaws. He felt that flaws were minimized in this document. As the debate continues, he would like both sides to be as accurate as possible as this will be the only way individuals will make important decisions about future lands in the county.

No further comments were offered.

Mayor Pro Tempore Grzan said that he has been an advocate for open space and the preservation of the rural character for some time. It was on this basis he ran for a Council seat. He recalled that members of the Council also went on the premise of preserving open space and preserving a rural character. He felt that the amendments proposed are generally consistent with the recommendations of the urban limit line study. He stated that a vote against the initiative is also a vote against the work the City did in this regard. He felt it would be consistent for the Council to endorse the initiative as it would ratify what the urban limit line committee brought forth and recommended to the Council. He noted that South County residents value the open space and ridgelines. He stated that the Council developed the process of the urban limit line as part of the process with the general plan task force. He felt the initiative to be consistent with the actions taken by the Council, the values of Morgan Hill, and the comments he continues to hear from the community that this is a wonderful place to live based on its rural atmosphere. He stated his support of the initiative.

Action: *Mayor Pro Tempore Grzan made a motion, seconded by Mayor Kennedy, to **support** the County Land Use Initiative and move it forward as a part of a process for Morgan Hill.*

Mayor Kennedy clarified that the urban limit line committee did not recommend the urban limit line be adopted by voter initiative. However there was some discussion of an initiative as an alternative, but this action was not taken.

Council Member Sellers said that he was not surprised by the early discussions about the initiative. However, as the initiative started to come together, he had significant issues and raised these concerns with several of the authors and individuals in the planning stages of the initiative. He stated that he still has a lot of concerns/issues. He noted that staff raised the issue of government protocol and not weighing in before the County does. He recommended the Council forego weighing in until the City hears what the County has to say about the initiative; being respectful of this protocol. He expressed concern with the unintended consequences. He noted the City is in the process of figuring out ways to allow development to occur adjacent to freeways and other appropriate areas in exchange for significant opportunities to preserve open space in perpetuity. He expressed concern that the initiative will eliminate these opportunities and would defer any opportunities to negotiate with property owners in the future. The City may end up seeing some development in areas it wished had not occurred. He stated

that he needs additional time to study the unintended consequences for South County. He said that Council members can weigh in individually on the initiative, as it often does, but not collectively. Should the ballot measure qualify for the November 2006 ballot, the Council may want to take a look at the initiative this summer after the County has weighed in, should this be the Council's preference. However, he felt that support of the initiative was premature as there are too many unanswered questions to support the motion this evening.

Council Member Tate stated his concurrence with the comments as expressed by Council Member Sellers. He read through the information contained in the agenda packet. He said that the information contained in the initiative appears to be good as the proponents are writing their side of the story. He did not believe there is an opportunity to review all of the "unintended consequences" or to understand all arguments against the initiative. He felt that taking a position on the initiative was premature and concurred with staff recommendation in terms of waiting for the County to weigh in on an initiative that will be of major impact to them.

Mayor Kennedy disclosed that he has personally endorsed and is one of the sponsors of this initiative. He has worked through the process of trying to protect hillsides, open space and agricultural lands. He has seen the current process not work. He noted that the ridgelines are covered with homes and that there are homes being built the City would not approve. He felt that homes are being built that are not appropriate because the County ignores the natural countryside/hillside setting. He did not believe the process has worked and that he is tired of waiting for it to work. Therefore, he endorses and supports this plan. He noted the City has lost some of its ridgelines and some of its open space, and that he does not want to see this continue further.

Vote: *The motion failed 2-3 as follows: Ayes: Grzan, Kennedy; Noes: Carr, Sellers Tate.*

24. APPOINTMENTS TO FILL VACANCIES ON THE ARCHITECTURAL & SITE REVIEW BOARD, MOBILE HOME RENT COMMISSION, AND THE SENIOR ADVISORY COMMISSION

Mayor Kennedy indicated that he spoke with Rocke Garcia, the third applicant for the Architectural & Site Review Board (ARB). He informed the Council that Mr. Garcia has withdrawn his application. Therefore, he recommended the Council endorse the appointment of Linda Hinkle and Jon Maxey to fill the two vacancies on the ARB.

Action: *On a motion by Council Member Tate and seconded by Council Member Carr, the City Council unanimously (5-0) **Confirmed** the Mayor's appointment of Linda Hinkle and Jon Maxey (2-year terms) to the ARB.*

Mayor Kennedy noted that there are three vacancies on the Mobile Home Rent Commission. He recommended the following appointments: Charles Dillmann, Robert Graham and John Liegl

Action: *On a motion by Council Member Sellers and seconded by Council Member Carr, the City Council unanimously (5-0) **Confirmed** the Mayor's appointment of Charles Dillmann, Robert Graham and John Liegl to the Mobile Home Rent Commission (2-year terms).*

Mayor Kennedy recommended the following appointments to the Senior Advisory Commission: Susan Fent, Jeannette Riley and Gloria Subocz (2-year terms); and Betty Ancheta, Betty Gigliotti, Stanten Johnston and William Quenneville (1-year terms).

Action: *Council Member Sellers made a motion, seconded by Council Member Grzan, to **Ratify** the Mayor's Appointments to Fill Vacancies on the Senior Advisory Commission as follows: Susan Fent, Jeannette Riley and Gloria Subocz (2-year terms); and Betty Ancheta, Betty Gigliotti, Stanten Johnston and William Quenneville (1-year terms).*

Council Member Tate said that he could not support the appointment of Staton Johnston as he did not offer construction to the Commission during the interview process. He did not believe it would be productive to have him appointed to the Commission.

Council Member Sellers stated that he shared same of the concerns expressed by Council Member Tate. However, he noted that the appointment would be for a one-year term and weighed this against the desire of individuals to serve the City. It was his hope that other Commissioners will undertake an effort to make this Commission a collective body. He said that Mr. Johnston will have a year to be a member of the Commission; working collectively on this newly created Commission.

Mayor Kennedy said that there have been concerns and issues expressed on the performance of the Senior Advisory Committee reporting to the Parks & Recreation Commission. However, he agreed that the Council needs to give this group of individuals the opportunity to see if they can work together. Perhaps, the Council may need to conduct dialogue or work with this Commission. As an alternative, the Council could ask this Commission to report to the Council on a periodic basis. If the Commission does not work well, the Council may need to make some changes. He said that this is a difficult assignment as there is a brand new senior center being built and lots of exciting things to take place. It is his hope that there will be greater participation by the senior community and that he would like to give this group an opportunity to see if it can perform. If it is found that there are problems following presentation of the quarterly reports, the Council can make some adjustments.

Council Member Sellers said that if Commissioners believe there are issues, the Commission need not feel compelled to wait for a year to report issues that arise. The Commission should step forward as the Council does not want to lose good volunteers if there are internal issues.

Mayor Kennedy requested that staff forward to the Commission that it needs to be a collaborative commission and that everyone needs to work together as there are very important issues that this commission needs to deal with. They all need to be a working commission and they need to give it their best time and energy to make it work. If this cannot be done, he would not support continued participation as this is a very important commission, and that it has the opportunity to do significant and positive work.

Council Member Tate concurred with Mayor Kennedy's comment that this commission needs to work together collaboratively. He felt the Council has to give the Commission the best chance to do so. By appointing Mr. Stanton, the Council may be taking away the opportunity to have this commission work collaboratively.

Mayor Kennedy stated that he met with the Chair and Vice-chair and that there are different perspectives. It was the Chair's belief the Commission will be able to work collaboratively.

Mayor Pro Tempore Grzan said that Mr. Johnson was a student of his for 18 weeks and that he was an excellent student who was helpful to other students and produced excellent work on the assignments given. In the interview process, Mr. Johnson may not have been clear as to what he was stating and that this was inconsistent to his performance in the classroom. He stated that he would like to give Mr. Stanton an opportunity to serve on this Commission.

Council Member Carr noted the Council does not have an option in appointments as there are seven candidates to fill seven seats. The Council discussed how it can get more participation so that it can have better options and to make sure the Council gives the commissions the best chance possible to succeed. It is his hope the commissions can do good work for the public and assist the Council. He was not sure how the Council can appease the concerns of others than to allow this commission to work together for a year.

Mayor Kennedy suggested that the Senior Advisory Commission return to the Council with quarterly reports until the Council is comfortable that the Commission is working collaboratively.

At the request of Mayor Pro Tempore Grzan, Mayor Kennedy agreed to make periodic contacts with the Chair of this commission to see how things are going.

Vote: *The motion carried 4-1 with Council Member Tate voting no.*

FUTURE COUNCIL-INITIATED AGENDA ITEMS

No items were identified.

City Council and Redevelopment Agency Action

CLOSED SESSIONS:

City Attorney Kern announced the below listed closed session items:

1.

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Authority

Government Code 54957

Public Employee Performance Evaluation:	City Manager
Attendees:	City Council, City Manager

2.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION:

Authority:	Pursuant to Government Code 54956.9(a)
Case Name:	Tichinin v. City of Morgan Hill
Case Number:	Santa Clara County Superior Court, Case No. 1-05-CV-046112
Attendees:	City Manager; City Attorney

OPPORTUNITY FOR PUBLIC COMMENT

Mayor/Chairman Kennedy opened the Closed Session items to public comment. No comments were offered.

ADJOURN TO CLOSED SESSION

Mayor/Chairman Kennedy adjourned the meeting to Closed Session at 10:15 p.m.

RECONVENE

Mayor/Chairman Kennedy reconvened the meeting at 11:10 p.m.

CLOSED SESSION ANNOUNCEMENT

Mayor/Chairman Kennedy announced that no reportable action was taken in closed session.

ADJOURNMENT

There being no further business, Mayor/Chairman Kennedy adjourned the meeting at 11:12 p.m.

MINUTES RECORDED AND PREPARED BY:

IRMA TORREZ, CITY CLERK/AGENCY SECRETARY



CITY COUNCIL STAFF REPORT

MEETING DATE: *June 7, 2006*

Agenda Item # 23

Prepared By:

**Asst. to the City
Manager**

Submitted By:

City Manager

2006 HAZARDOUS BRUSH PROGRAM

COMMENCEMENT REPORT AND PUBLIC HEARING

RECOMMENDED ACTIONS:

1. **Accept** 2006 Hazardous Brush Program Commencement Report
2. **Open/Close** Public Hearing

EXECUTIVE SUMMARY:

As part of the 2006 Hazardous Vegetation Management Program, Santa Clara County Fire Department staff have inspected properties in the Hazardous Hillside area. Property owners in these regions are obliged to meet special property maintenance guidelines to reduce the threat of fire. In particular, they must remove brush on their property that could provide fuel for a fire and increase the chances that fire on one property would spread to an adjoining property.

The Council adopted Resolution 5966 on December 14, 2005, declaring hazardous vegetation to be a nuisance and ordering its removal. The resolution also set the June 7, 2006 public hearing date for the brush abatement program. Brush abatement notices have been mailed to property owners of three parcels in Morgan Hill whose properties have been identified as having, or potentially having, a problem with hazardous brush. In addition, notice of this public hearing has been published in the *Morgan Hill Times* per Government Code Section 39556.

The purpose of this public hearing is to hear from property owners who object to having their property in the brush abatement portion of the 2006 Hazardous Vegetation Management Program. The list of properties in the Brush Program, attached as Exhibit A, has been posted at City Hall for ten days prior to this public hearing as required.

The City controls the growth of hazardous vegetation under the authority set out in Chapter 8.20 of the Morgan Hill Municipal Code and in Government Code Sections 39560 and following. The City has a contract with the Santa Clara County Fire Marshal's Office which provides for County abatement of the property if the property owner does not maintain the property as required. If the work is completed by the Fire Marshal's Office contractor, costs for the work are added to the owner's property tax assessment.

The County's contractor will complete abatement work during the month of June. Staff plans to return to the Council on July 19 or 26, 2006 to present a list of property assessments. The assessments must be submitted to the County Assessor's Office prior to August 10, 2006.

FISCAL IMPACT: The Hazardous Vegetation Management Program is user fee supported. The per-lot assessment includes the actual costs for controlling vegetation plus the overhead cost to manage the program.

APN	TRA Code	Property Number	Street Name	Municipality	Property Zip Code	Owner Name	Owner Address	Owner City	Engine Comment
729-30-005	4	17065	COPPER HILL DR	MRG	95037-6502	PARSONS ERIC K &	17065 COPPER HILL	MORGAN HILL CA	
729-30-006	4	17071	COPPER HILL DR	MRG	95037-6502	PHAN PHI H	3280 QUAIL LN	MORGAN HILL CA	
729-33-022	4	3280	QUAIL LN	MRG	95037-6413	WEBSTER DONALD	3240 QUAIL LN	MORGAN HILL CA	
729-33-025	4	3240	QUAIL LN	MRG	95037-6413	EDWARDS RESSA O	3470 BLUE GRASS	MORGAN HILL CA	
729-34-022	4	3470	BLUE GRASS CT	MRG	95037-6417	SINGH GURSIMRAT	3440 BLUE GRASS	MORGAN HILL CA	
729-34-025	4	3440	BLUE GRASS CT	MRG	95037-6417	CHRISTMAN	17211 LAKEVIEW	MORGAN HILL CA	
729-34-031	4	17211	LAKEVIEW DR	MRG	95037-6407	PAYNE DOUGLAS J	17221 LAKEVIEW	MORGAN HILL CA	
729-34-032	4	17221	LAKEVIEW DR	MRG	95037-6407	COTTER HENRY J &	17231 QUAIL CT	MORGAN HILL CA	
729-35-003	4	17231	QUAIL CT	MRG	95037-6419	SUCHOMEL FRANK	17246 QUAIL CT	MORGAN HILL CA	
729-35-007	4	17246	QUAIL CT	MRG	95037-6412	WINSTEAD DONALD	17230 QUAIL CT	MORGAN HILL CA	
729-35-009	4	17230	QUAIL CT	MRG	95037-6427	TING ARNOLD Q	3430 LAVA ROCK CT	MORGAN HILL CA	
729-35-029	4	3430	LAVA ROCK CT	MRG	95037-6427	BOERSIG RAY R &	3420 LAVA ROCK CT	MORGAN HILL CA	
729-35-030	4	3420	LAVA ROCK CT	MRG	95037-6420	SZCZEPANIAK JON	17418 BLUE JAY CT	MORGAN HILL CA	
729-38-017	4	17418	BLUE JAY CT	MRG	95037-6512	RUPP CHARLE R &	17451 HOLIDAY DR	MORGAN HILL CA	
729-38-028	4	17451	HOLIDAY DR	MRG	95037-6319	SMITH WARREN J &	17565 HOLIDAY DR	MORGAN HILL CA	
729-40-012	4	17565	HOLIDAY DR	MRG	95037-6319	RAGAB HODA	17461 LAKEVIEW	MORGAN HILL CA	
729-41-029	4	17461	LAKEVIEW DR	MRG	95037-6416	BOULGER QUIN &	2885 WHIPPOWILL	MORGAN HILL CA	
729-42-005	4	2885	WHIPPOWILL DR	MRG	95037-6303	BARR CHARLES R &	17574 HOLIDAY DR	MORGAN HILL CA	
729-43-002	4	17574	HOLIDAY DR	MRG	95037-6303	PISANICH	17598 RACCOON CT	MORGAN HILL CA	
729-43-016	4	17598	RACCOON CT	MRG	95037-6324	GRISAFI CHARLES	17685 RACCOON CT	MORGAN HILL CA	
729-43-017	4	17685	RACCOON CT	MRG	95037-6324	MOTTER STEVEN P	17665 RACCOON CT	MORGAN HILL CA	
729-43-018	4	17665	RACCOON CT	MRG	95037-6324	ROSEMONT DONNA	17635 RACCOON CT	MORGAN HILL CA	
729-43-025	4	17635	RACCOON CT	MRG	95037-6314	TROY THOMAS J &	17620 RACCOON CT	MORGAN HILL CA	
729-43-027	4	17620	RACCOON CT	MRG	95037-6314	SIMPSON DERREL S	15417 NW	PORTLAND OR	
729-43-027	4	17660	RACCOON CT	MRG	95037-4014	NGUYEN PHUONG T	17745 JOHN TELFER	MORGAN HILL CA	
764-38-001	4	17745	JOHN TELFER DR	MRG	95037-4014	UMPHRESS	16840 PRICE CT	MORGAN HILL CA	
773-07-024	4	16840	PRICE CT	MRG	95037-4727	DIMEO FREDERICK	1030 LA VISTA CT	MORGAN HILL CA	
773-22-043	4	1030	LA VISTA CT	MRG	95037-5354	BULDO DENNIS J	14220 WATER AVE	MORGAN HILL CA	clean up by lower
779-35-042	4	14220	WATER AVE	MRG	95037	CLAMPETT KAREN		MORGAN HILL CA	

City of Morgan Hill, 2006 Brush Program Parcels



CITY COUNCIL STAFF REPORT

MEETING DATE: JUNE 7, 2006

**TITLE: PUBLIC HEARING OF PROPOSED FY 2006/07
OPERATING AND CAPITAL IMPROVEMENT
PROGRAM BUDGET**

RECOMMENDED ACTIONS:

- 1) Open and close public hearing**
- 2) Discuss the Proposed Budget**
- 3) Approve specified increases to FY 2005/06 Budget**
- 4) Schedule adoption of Fiscal Year 2006-2007 Operating and Capital Improvement Program Budget for June 21, 2006**

EXECUTIVE SUMMARY:

On Friday May 12, 2006, City staff distributed the Proposed FY 2006/07 Operating and Capital Improvement Budget to the City Council. On Friday, May 19, 2006, staff conducted an all day Sustainable Budget Strategy Workshop. Findings from the workshop included:

- As measured by Community Conversation responses and a statistically-significant sampling of likely voters, Morgan Hill residents like living in Morgan Hill and are generally satisfied with current City service levels.
- The City Council does not plan to place a tax measure on the November 2006 ballot nor reduce services from current levels at this time.
- The City is continuing to use reserves to fund General Fund services, but at a lower rate thanks to healthy sales and property tax growth.
- The Council recognizes that merely keeping staffing levels constant while the community grows may lead to service level reductions.
- The Council is pursuing an extension of the Redevelopment Agency, with a smaller project area. If adopted, this would add about \$860,000 annually to the General Fund starting in 2008.
- The Council is evaluating ways to continue the conversation with residents about service levels desired by the community and how to pay for them.

The City Council set June 7, 2006 for this public hearing and scheduled June 21, 2006 for adoption of the Budget. The Budget document is available to the public at the counter in City Hall, at the Morgan Hill Library, and on-line at the City's web page.

FISCAL IMPACT:

The Proposed FY 2006/07 Operating and Capital Improvement Budget is \$119,740,421. The fiscal impact is discussed within the City Manager's budget message, which is located at the front of the Budget document. The Proposed FY 2006/07 Budget includes budget adjustments to FY 2005/06 as detailed in Exhibit A. Staff recommends that the City Council approve these current year budget increases. Current fund balances are available to finance these increases.

Agenda Item #24

Prepared By:

Budget Manager

Approved By:

Finance Director

Submitted By:

City Manager

Proposed FY 2005/06 Budget Adjustments

The following budget adjustments were included in the Proposed 2006/07 Operating and Capital Improvement Budget document presented to the City Council. Staff requests that the City Council approve these adjustments in connection with adopting the Proposed 2006/07 Budget.

010-1500 [General Fund, City Attorney]. Increase special counsel by \$123,000 due to unanticipated legal expenses
010-1900 [General Fund, Transfers]. Increase by \$100,000 for transfer out to Community Recreation Centers Startup Fund to provide additional funding for the future startup of the Outdoor Sports Complex
210-2115 [Community Recreation Centers Startup Fund]. Increase transfers out to the General Fund by \$68,775 for increased startup expenditures at the Centennial Recreation Center
216-8001 [CDBG Rehab Relief]. Increase expenditure appropriations by \$124,891 due to higher activity.
229-8351 [Lighting and Landscaping District Fund]. Increase by \$9,500 due to higher electricity, water and contract services
317-7000 [RDA Fund, BAHS Admin]. Increase 42406-Tax Increment Pass-Thru by \$2,065,583 and 42407-ERAF Takeaway by \$1,856,914 due to change in accounting procedure to report gross RDA revenues and expenditures rather than net activity. Increase 42229-RDA Special Counsel by \$35,000 due to increased legal activity. Increase 41100-Salaries General by \$140,000, because the original budget calculated the vacant project manager at \$0. However, the Special Assistant to the City Manager was fully funded by RDA in 05/06. Increase 42293-County Admin Fee by \$51,000
346-8049 [Pub Facility Non-AB1600]. Increase appropriations by \$114,467 to account for \$52,570 transfer out to General Fund for legal services associated with the police facility litigation and \$61,897 transfer out to Police Bond Debt Services Fund to utilize remaining bond funds for debt service



CITY COUNCIL STAFF REPORT

MEETING DATE: June 7, 2006

Agenda Item # 25

Prepared By:

Asst. to the City
Manager

Submitted By:

City Manager

COMMUNITY CONVERSATIONS AND CITY COMMUNICATIONS

RECOMMENDED ACTIONS:

- 1) Consider proposed guidelines for continuing the Community Conversations and provide feedback to staff
- 2) If appropriate, direct staff to continue the Community Conversations as part of the 2006/07 workplan
- 3) Direct staff to increase the proposed budget for FY 2006/07 by \$50,000 to support this effort
- 4) Direct staff to increase the proposed budget for FY 2006/07 by \$20,000 to publish the *City Connection* newsletter six times in FY 2006/07

EXECUTIVE SUMMARY:

On May 19, 2006, the City Council held a workshop on the City's Sustainable Budget Strategy, and discussed a range of strategic issues facing the City as well as the outcome of the Community Conversations held in spring 2006. At that time, the Council expressed interest in two related outreach and communications initiatives:

1. Continuing the Community Conversations, with a focus on service levels desired by residents and how to pay for them
2. Enhancing City communications beyond what was proposed in the budget, specifically, increasing the production of the *City Connection* newsletter to more than twice a year

In creating the Community Conversations process used this year, the Council endorsed guidelines recommended by the Financial Policy Committee. These are attached as Attachment A. Staff have proposed a new set of guidelines for the second phase of the Community Conversations, provided as Attachment B. In addition, the proposed 2006/07 workplan for the City Manager's Office (included as Attachment C) includes a possible timeline for development of the program, which we expect would be launched early in 2007.

Allocating \$50,000 would provide for supplies, materials, special communications pieces, and very limited consultant support. By contrast, the Community Conversations conducted this year cost \$110,000: \$85,000 for consultant services and \$25,000 for communications and supplies.

Additionally, in response to Council interest in more frequent publication of the *City Connection* newsletter, staff recommends that the Council direct staff to increase the Communications and Marketing budget by \$20,000 to support a bi-monthly production schedule. Without this adjustment, *City Connection* will be published twice in 2006/07. Should the Council wish to fund additional communication enhancements, several options are identified on page 303 of the proposed budget.

FISCAL/RESOURCE IMPACT: Adopting the staff recommendations would increase the proposed 2006/07 budget by \$70,000. As with the Community Conversations conducted this year, significant outreach efforts require significant staff time. It is likely that the equivalent of .25 FTE or more will be required to support this activity. We expect most of that impact to be in the City Manager's Office, and that the project will move forward once the Assistant to the City Manager position is filled.

**CITY COUNCIL STAFF REPORT****MEETING DATE:** *June 15, 2005***YEAR-LONG COMMUNITY CONVERSATION****FROM: STEVE TATE, CHAIR, FINANCIAL POLICY COMMITTEE****RECOMMENDED ACTION:**

- 1) Discuss report from Financial Policy Committee and provide direction.
- 2) Add \$50,000 to the proposed 2005/06 General Fund Budget for the cost of a consultant to manage the year-long community conversation process.

EXECUTIVE SUMMARY:

The City Council adopted the following 2005 City Budget goal on March 2, 2005:

“By April 2005, the Financial Policy Committee will report the results of a statistically significant random sample of Morgan Hill voters on issues relating to the Sustainable Budget Strategy. Thereafter, the Council will adopt an approach to conducting a community wide conversation about the appropriate level and mix of city services and a strategy to finance them. The objective of the community conversation is to develop consensus on what measures to place before the voters in November 2006 or earlier.”

In response, City staff, working with the Financial Policy Committee, hired a polling consultant to undertake a community survey of 400 likely voters. The Committee guided the consultant in framing the questions to be asked of local residents and worked with the consultant to produce a summary of results. Those results will be shared with the City Council this evening through a PowerPoint presentation. The survey showed that, in general, the community is satisfied with the quality of services provided by the City and that the community does not currently support a new tax to increase funding for City services. Therefore, it is critical that the community engage in a conversation with the City so that the public may understand the financial picture facing the City and may provide direction to the City as to what level of services it desires and what level it is willing to pay for.

Attached is an outline of recommended Community Conversation Guidelines proposed by the Financial Policy Committee. The outline provides the purpose, timeline, and three phases of the community conversation over the next year. Those phases are:

- 1) Educate and invite engagement in conversation
- 2) Explore options interactively
- 3) Develop Consensus

Should the conversation indicate proceeding with a ballot measure, the ballot campaign would follow.

FISCAL IMPACT:

It is necessary that the City take action to address the ongoing annual \$1.2 million General Fund deficit, consistent with the Sustainable Budget Strategy adopted by the City Council. The proposed 2005/06 budget includes \$25,000 for a second community survey and includes \$25,000 for materials needed to engage in the community conversation. The Committee is recommending that the City Council add \$50,000 more to the proposed 2005/06 Budget so that the City may invest one-time monies in a consultant who would manage the community conversation process and enable the City to take steps necessary to provide the level of services that the community desires. The \$50,000 appears to be at the low end of the range for this type of consultant. If a consultant were not hired, staff would manage this process, but this would mean that other pressing tasks would be deferred.

FINANCIAL POLICY COMMITTEE **RECOMMENDED COMMUNITY CONVERSATION GUIDELINES**

(Staff Report Attachment – June 15, 2005 Council Agenda)

PURPOSE:

- Enable the City Council to make a decision on what (if anything) to put on a November 2006 ballot for revenue enhancement:
 - Through interactive discourse, receive informed public input on options and choices for public services to help shape City Council decision on a ballot measure.
 - Achieve community consensus on a mix and level of services and how to pay for them.
 - Based on consensus, either construct a revenue enhancement ballot measure or a balanced budget by adjusting services

Phase 0: HIRE CONSULTANT TO DESIGN/ADMINISTER THE CONVERSATION

- Define process(es) to be used, identify audiences, train, set up analyses, etc.
- Minimal cost is \$50,000, need to consider price vs. value

BEGINNING JULY 4 2005

Phase 1: EDUCATE AND INVITE ENGAGEMENT IN CONVERSATION:

- Use “Community Conversation” but perhaps develop a slogan or some sort of attention “grabber” to act as a catalyst to get people engaged.
- Include education on all possible options.
- In selecting audiences, try to focus on likely voters.
- Describe magnitude of problem to provide an incentive.
- Engage new “opinion leaders” (Faith-Based, Commissions, Sports Groups, Home & School Clubs, etc.), create ambassadors with ownership of our goals.
- Set up a true interchange over time, not just immediate reactions, process should require time for “opinion leaders” to absorb and reflect on things, then have further dialog.
- Use workshops, speaker’s bureau, small group sessions, and on-line mechanisms that do not inhibit the true interchange and other mechanisms (consultant input).
- Revenue requirements for expanded services (e.g.: 3rd fire station) should be included.
- Try to establish priority of services, maybe within cost constraints.
- Coordinate community conversation with centennial activities, as appropriate.
- Create community vs. individual focus on input.
- End of 2005 timeframe, analyze/summarize and provide management feedback.
- Listen, don’t “tell” (and try to establish similar approach for audiences).
- Early January 2006, conduct second community survey (process-dependent).

STARTING JANUARY 16, 2006

Phase 2: EXPLORE OPTIONS INTERACTIVELY:

- Continue education and invitation.
- Emphasize input and direction from audiences
- Process needs to increase emphasis on establishing pros/cons of options and start to narrow them down in terms of general acceptability.
- Mid-May, 2006, conduct third community survey to obtain additional input (optional, process-dependent)

May 20, 2006 FORWARD

Phase 3: DEVELOP CONSENSUS

- Continue invitation/education/exploration as appropriate.
- Focus on direction community provides.
- Minimize options (two or three at most?).
- Develop rationale for options selected.
- Recruit/retain opinion leaders/ambassadors to help educate /justify options.
- Next steps.

RECOMMENDED GUIDELINES FOR COMMUNITY CONVERSATIONS PHASE 2

(Staff Report Attachment – June 7, 2006 Council Agenda)

PURPOSE:

- Enable the City Council to make a decision on the City's ongoing service levels and funding sources:
 - Through interactive discourse, achieve community consensus on City service levels and how to pay for them.
 - Based on consensus, either construct a revenue enhancement options or a balanced budget by adjusting services

BEGINNING JULY 1, 2006

Phase 0: HIRE CONSULTANT TO PROVIDE ADVICE ON THE DESIGN FOR PHASE 2 OF THE CONVERSATIONS

- Define processes to be used, potentially including an opportunity for participation online
- Estimated cost is \$10,000

Phase 1: EDUCATE AND INVITE ENGAGEMENT IN CONVERSATION

- Continue use "Community Conversations" title
- Include education on current and potential service levels and associated costs
- In selecting audiences, try to focus on likely voters.
- Describe magnitude of problem (for example, the likelihood that service levels will decline over time as the population increases) to provide an incentive.
- Engage facilitators and participants from the spring 2006 Community Conversations
- Engage new "opinion leaders" (Faith-Based, Commissions, Sports Groups, Home & School Clubs, etc.), create ambassadors with ownership of our goals.
- Engage local media.
- Set up a true interchange over time, not just immediate reactions; process should require time for "opinion leaders" to absorb and reflect on things, then have further dialog.
- Use workshops, speaker's bureau, small group sessions, and on-line mechanisms that do not inhibit the true interchange and other mechanisms.
- Create community vs. individual focus on input.
- Listen, don't "tell" (and try to establish similar approach for audiences).

STARTING JANUARY 15, 2007

Phase 2: EXPLORE OPTIONS INTERACTIVELY

- Continue education and invitation; use special newsletters, City website and other media to get message out.
- Emphasize input and direction from audiences
- Process needs to increase emphasis on establishing pros/cons of different service levels and associated funding and start to narrow them down in terms of general acceptability.

STARTING APRIL 15, 2007

Phase 3: REPORTING AND ANALYSIS

- Late April 2007, conduct community survey to obtain additional input.
- Report back to Council and community on direction community provided through conversations and polling.
- Incorporate community input in development of proposed budget

MAY 20, 2006 FORWARD

Phase 4: DEVELOP DIRECTION

- Continue invitation/education/exploration as appropriate.
- Focus on direction community provides.
- Minimize options (two or three at most).
- Develop rationale for options selected.
- Recruit/retain opinion leaders/ambassadors to help educate/justify options.
- Determine next steps.

CITY MANAGER'S OFFICE				
Project	Milestones	Start Date	Completion Date	Staff Assigned to Project
Support workplan for amending the Redevelopment Agency Plan.	Established in the BAHS Workplan	7/1/06	12/30/06	Tewes
Develop "phase 2" of Community Conversations, focused on service levels desired by residents and how to pay for them	Develop process for obtaining resident input	7/1/06	9/31/06	Tewes, Asst. to City Mgr.
	Discuss proposed process with Council and develop final plan	10/1/06	12/1/06	Tewes, Asst. to City Mgr.
	Conduct conversations	2/1/07	4/15/07	Asst. to City Mgr.
	Report to Council and incorporate feedback into FY 2007/08 budget as appropriate	4/16/07	6/15/07	Asst. to City Mgr.
Develop plan for website update	Establish website update committee	8/1/06	9/1/06	Assistant to the City Manager
	Identify potential companies to perform website update	9/15/06	10/15/07	Assistant to the City Manager
	Develop & distribute RFP for website development	11/1/06	1/3/07	Assistant to the City Manager
	Receive proposals and create budget request for 2007/08	2/15/07	3/15/07	Assistant to the City Manager
Develop Emergency Operations Center Public Information Officer function	Work with EOC Coordinator to clarify PIO role and activities in an emergency	12/1/06	1/31/07	Assistant to the City Manager, Foot
	Identify staff to assist with PIO function	2/1/07	4/1/07	Assistant to the City Manager
	Train staff to fulfill PIO-related responsibilities in an emergency	4/2/07	6/30/07	Assistant to the City Manager, Foot



CITY COUNCIL STAFF REPORT

MEETING DATE: June 7, 2006

Agenda Item # 26

Prepared By:

Asst. to the City Mgr.

Submitted By:

City Manager

2006/07 CITY WORKPLAN

RECOMMENDED ACTION:

Review and accept proposed 2006/07 Workplan for City departments, Council-appointed boards, commissions and committees and Council policy committees

EXECUTIVE SUMMARY:

For the last five years, City of Morgan Hill departments have developed annual workplans identifying special projects to be undertaken in the coming fiscal year. Workplan projects represent substantial work efforts by departments, above and beyond routine work, and often require a high level of interdepartmental coordination.

For the second year, most Council-appointed boards, commissions and committees have also developed workplans for the Council's consideration. In addition, this year most Council policy committees have developed proposed workplans.

Proposed workplan activities for departments are included in the FY 2006/07 budget document. **Attachment A** provides each department's proposed workplan, with the timeline for each task and staff assigned to each project, as well as the proposed workplans for Council-appointed boards, commissions and committees and Council policy committees.

Significant departmental workplan activities include:

- Redevelopment Agency Plan Amendment
- Assist developer to begin construction of a subregional retail center at 101/Cochrane Road
- Continuation of the Community Conversations, focusing on City service levels and how to fund them
- Adoption of International Building Codes
- Urban Limit Line Phase 2 and greenbelt implementation activities
- Development of recommended wastewater usage rates and wastewater connection fees
- Comprehensive review of employee classifications
- Development of an online reporting system for minor crimes
- Development of water budget-based landscaping rates
- Construction of permanent skate park
- Development of Civic Center master plan
- Implementation of the partnership model for the Centennial Recreation Center

Staff will provide a mid-year update on the status of the 2006/07 workplan for the Council's review.

FISCAL/RESOURCE IMPACT:

At this time we believe that the projects identified in department, policy committee, and appointed boards/commissions/committee workplans all can be accommodated within the staffing levels and budgetary allocations proposed for FY 2006/07.

Proposed FY 2006/07 Workplan
June 7, 2006

BAHS				
Project	Milestones	Start Date	Completion Date	Staff Assigned to Project
Complete a review of the Economic Development Strategy	Begin discussion with Council Community and Economic Development Committee	7/1/06	10/30/06	Toy
	Community and Economic Development Committee makes recommendation to Council	10/31/06	12/30/06	Toy
	Council reviews and approves revised strategy	12/31/06	4/30/07	Toy
Habitat for Humanity 6-Plex	Habitat to submit for ARB approval	07/01/06	12/30/06	Pendleton
	Habitat obtains ARB approval	12/30/06	4/30/06	Pendleton
	Habitat begins organization plan	7/01/06	6/30/07	Pendleton
Implement Citywide and City Employee Downpayment Assistance Program	Accept applications from employees and residents	07/01/06	08/30/06	BAHS staff
		8/30/06	11/30/06	BAHS staff
	Approve first application	11/30/06	4/30/06	BAHS staff
	Close first loan			
Royal Court Apartments and For-Sale Homes	South County Housing completes 12 townhomes	7/01/06	12/30/06	Pendleton
	South County Housing begins site development work	7/01/06	08/30/06	Pendleton

BAHS				
Project	Milestones	Start Date	Completion Date	Staff Assigned to Project
Royal Court Apartments and For-Sale Homes <i>continued</i>	South County Housing sells first home	12/30/06	04/30/07	Pendleton
Madrone Plaza	Council approves interim construction loan to SCH	07/01/06	09/30/06	Toy
	SCH begins site development work	09/30/06	03/30/07	Toy
Facilitate the re-use of Granada Theater	Council/Agency approves operating agreement	07/01/06	09/30/06	Maskell, Toy
	Operator begins tenant improvements Theater reopens	07/01/06	10/30/06	Maskell, Toy
		07/01/06	04/30/07	Maskell, Toy
Complete the El Toro/Friendly Inn Master Plan	Complete master plan	07/01/06	10/30/06	Dumas
	Complete design work	10/30/06	04/30/07	Dumas
	Identify/secure financing	10/30/06	04/30/07	Dumas
Redevelopment Agency Plan Amendment	Complete preliminary plan and DEIR	07/01/06	07/30/06	Maskell, Toy
	Hold community meeting(s)	07/30/06	09/30/06	Maskell, Toy
	Council/Agency approves plan amendment and FEIR	10/01/06	12/30/06	Maskell, Toy
Assist developer to begin construction of subregional retail center at Hwy 101/Cochrane Rd.	Complete Phase I improvements and at least 200,000 square feet of buildings	07/01/06	06/30/07	Toy
	Restaurants and retail open for business	04/01/07	06/30/07	Toy

CITY MANAGER'S OFFICE				
Project	Milestones	Start Date	Completion Date	Staff Assigned to Project
Support workplan for amending the Redevelopment Agency Plan.	Established in the BAHS Workplan	7/1/06	12/30/06	Tewes
Develop "phase 2" of Community Conversations, focused on service levels desired by residents and how to pay for them	Develop process for obtaining resident input	7/1/06	9/31/06	Tewes, Asst. to City Mgr.
	Discuss proposed process with Council and develop final plan	10/1/06	12/1/06	Tewes, Asst. to City Mgr.
	Conduct conversations	2/1/07	4/15/07	Asst. to City Mgr.
	Report to Council and incorporate feedback into FY 2007/08 budget as appropriate	4/16/07	6/15/07	Asst. to City Mgr.
Develop plan for website update	Establish website update committee	8/1/06	9/1/06	Asst. to City Mgr.
	Identify potential companies to perform website update	9/15/06	10/15/07	Asst. to City Mgr.
	Develop & distribute RFP for website development	11/1/06	1/3/07	Asst. to City Mgr.
	Receive proposals and create budget request for 2007/08	2/15/07	3/15/07	Asst. to City Mgr.
Develop Emergency Operations Center Public Information Officer function	Work with EOC Coordinator to clarify PIO role and activities in an emergency	12/1/06	1/31/07	Asst. to City Mgr., Foot
	Identify staff to assist with PIO function	2/1/07	4/1/07	Asst. to City Mgr
	Train staff to fulfill PIO-related responsibilities in an emergency	4/2/07	6/30/07	Asst. to City Mgr., Foot

COUNCIL SERVICES & RECORDS MANAGER				
Project	Milestones	Start Date	Completion Date	Staff Assigned to Project
Review Council & Administration Policies for applicability/update	Review Council Policies	8/1/06	10/30/06	Torrez
	Council to adopt revisions, if applicable	11/1/06	12/20/06	Torrez
	Review Administrative Policies	7/1/06	5/31/07	Executive Team
Review & Update the City's Record Retention Schedule to ensure consistencies between departments	Review & Update	7/1/06	11/30/06	Municipal Services Assistant; Torrez
	Council to review and approve amended Record Retention Schedule	12/1/06	1/31/07	Torrez, Kern

COMMUNITY DEVELOPMENT DEPARTMENT – BUILDING DIVISION				
Project	Milestones	Start Date	Completion Date	Staff Assigned to Project
Staff training on international code compliance	Staff training	9/1/06	6/30/07	Ford, DeLuna
	Code implementation	9/1/06	6/30/07	Ford, DeLuna
Adopt International Building Codes	Begin resolution and adoption process	2/15/07	2/28/07	Ford
Update residential and commercial plan review checklists to comply with international codes	Review and revise checklists	3/1/07	6/30/07	Ford, Saenz

COMMUNITY DEVELOPMENT DEPARTMENT – PLANNING COMMISSION & PLANNING DIVISION				
Project	Milestones	Start Date	Completion Date	Staff Assigned to Project
Downtown Plan Update & Implementation Strategy; Parking Management Plan; Other Implementation	Workshop with Downtown Association and downtown property owners to identify objectives and possible amendments to the Downtown Plan to refine downtown vision and implementation strategy, policies, standards.	May 2006	7/14/06	Marlatt, Rowe, Molloy Previsich
	Prepare Downtown Plan Update & Implementation Strategy. Complete Downtown Parking Resources Management Plan. Prepare any necessary amendments to General Plan and other ordinances. Consider whether amendment of Measure C is advisable.	7/17/06	11/15/06	Marlatt, Rowe, Molloy Previsich
	Conduct CEQA review and public outreach	11/16/06	3/16/07	Marlatt, Rowe, Molloy Previsich
	Planning Commission Public Hearing	4/10/07	4/24/07	Marlatt, Rowe, Molloy Previsich
	City Council Public Hearing to approve Downtown Plan Amendment, amend parking standards, other possible zoning/policy amendments.	5/2/07	5/16/07	Marlatt, Rowe, Molloy Previsich
Industrial Land and Southeast Quadrant Market Analysis	Complete inventory and market analysis of vacant, underutilized, and potential “Southeast Quadrant” industrial lands; and explore other possible market niche(s) for Southeast Quadrant such as destination/regional sports and recreation uses. Project industrial land needs for 5-10 years; recommend alternative land uses as warranted. Coordinate with BAHS.	7/1/06	11/15/06	Golden, Rowe, Molloy Previsich
	Review of Study by Planning Commission, and Recommendation regarding “Next Steps”	12/12/06	12/12/06	Golden, Rowe, Molloy Previsich
	Acceptance of Study, and Direction to Staff regarding “Next Steps” by the City Council	1/17/07	1/24/07	Golden, Rowe, Molloy Previsich

COMMUNITY DEVELOPMENT DEPARTMENT – PLANNING COMMISSION & PLANNING DIVISION				
Project	Milestones	Start Date	Completion Date	Staff Assigned to Project
Urban Limit Line Phase II and Greenbelt/O.S. Implementation Activities	After completion of Industrial Lands and Southeast Quadrant Market Study, determine timing of further planning activities for Southeast Quadrant	2/1/07	2/28/07	Project Planner, Molloy Previsich
	As determined, GP Amendment, ULL, UGB, USA amendments, Pre-zoning, annexation, environmental review and PC & CC hearings to carry out SEQ process	3/1/07	FY 07/08	Project Planner, Molloy Previsich
	Carry out Edmundson/ DeWitt/Sunset Area greenbelt/ULL implementation (trade city lands, record easement etc)	7/1/06	6/30/07	Project Planner, Molloy Previsich
	Work on greenbelt implementation activities, including coordination with SJ, County & O.S. Authority on greenbelt efforts, work to acquire open space, adopt recreation trail plan, develop implementation financing strategy	7/1/06	6/30/07	Project Planner, Molloy Previsich
	Coordinate with Santa Clara County Planning on Zoning Overlay District to provide for improved siting/design standards; and to provide for Morgan Hill review and comment for hillside developments	7/1/06	6/30/07	Project Planner, Molloy Previsich
Complete Update Historical Inventory; Update Cultural Resources Preservation Ordinance	Council Adoption of Historic Context Statement	FY05/06	7/19/06	Tolentino, Rowe
	Continue work on updated inventory of City's historic buildings and sites/consult with Historical Society, County Historic Heritage Commission & others.	FY 05/06	1/15/06	Tolentino, Rowe
	Draft revision of Cultural Resources Preservation Ordinance	10/1/06	1/15/07	Tolentino, Rowe
	Workshop(s) with Planning Commission, City Council and Community on draft ordinance and draft list	1/31/07	2/28/07	Tolentino, Rowe
	Identify list of site and buildings for designation	3/1/07	5/1/07	Tolentino, Rowe
	Planning Comm. & Council public hearings to adopt ordinance update & designate appropriate sites/buildings.	5/8/07	6/27/07	Tolentino, Rowe

COMMUNITY DEVELOPMENT DEPARTMENT – PLANNING COMMISSION & PLANNING DIVISION				
Project	Milestones	Start Date	Completion Date	Staff Assigned to Project
Complete Architectural Review Handbook	Prepare Final Ordinance, Handbook and Gateway Guidelines for downtown residential/mixed use and parking standards. Conduct environmental review.	FY04/05	3/1/07	Linder, Rowe
	Planning Commission and City Council Public Hearings to adopt Ordinance, Guidelines & Handbook	3/1/07	6/30/07	Linder, Rowe
Complete Zoning Ordinance Revisions	Complete Drafts of Zoning Code Revisions, in particular: <ul style="list-style-type: none"> ▪ “Non-Retail” implementing zoning district ▪ Revise city’s PUD District Chapter 18.30 ▪ Revise CC-R District and DAUP ordinance ▪ Adjust threshold for staff vs. ARB approvals ▪ Ordinances to address Economic Inhibitors, e.g. “First-One-In PUD Requirement”; Walnut Grove 	4/1/06	6/30/07	Linder, Marlatt, Rowe, Molloy Previsich
	Planning Commission Workshop(s) with Developers & Public	Ongoing through fiscal yr	Ongoing through fiscal year	Linder, Marlatt, Rowe, Molloy Previsich
	Prepare final proposed Zoning Ordinances and conduct environmental review.			
	Planning Commission Public Hearings.			
	City Council Public Hearings to Adopt Final Zoning Ordinance Revisions	Ongoing through fiscal yr	Ongoing through fiscal yr	
Complete Subdivision Ordinance Update	Re-direct focus of RBF consultant from zoning ordinance re-formatting to update of Subdivision Ordinance and other related municipal codes, e.g. utility undergrounding requirement	6/15/06	7/1/06	Tolentino, Rowe, Public Works Staff Liaison

COMMUNITY DEVELOPMENT DEPARTMENT – PLANNING COMMISSION & PLANNING DIVISION				
Project	Milestones	Start Date	Completion Date	Staff Assigned to Project
Complete Subdivision Ordinance Update <i>continued</i>	Consultant work and collaborate with Planning staff and Public Works staff to draft update of Codes	7/1/06	5/1/07	Tolentino, Rowe, Public Works Staff Liaison
	Planning Commission and City Council Public Hearings to adopt Revised Subdivision Code/other Municipal Code changes	5/22/07	6/28/07	Tolentino, Rowe, Public Works Staff Liaison
Redevelopment Plan Update and EIR	Assist BAHS with preparation of RDA Plan Update and related preparation and certification of Environmental Impact Report	FY 05/06	12/15/07	Marlatt, Molloy Previsich
Regulations for Land Use Near Streams	Participate in Water Resources Protection Collaborative development of draft Guidelines & Standards, User's Manual, Implementing Materials for stream protection program. Attend Quarterly Meetings of Collaborative.	From FY04/05	Ongoing	Golden, Molloy Previsich, Ashcraft
	Work with Water District and Public Works to characterize Morgan Hill stream types and goals	From FY05/06	8/30/06	Golden, Molloy Previsich, Ashcraft
	Prepare first draft of proposed Morgan Hill policies and regulations (and CEQA document) for land use near streams and stream/habitat protection; preliminary selection of permitting option	8/1/06	10/1/06	Golden, Molloy Previsich, Ashcraft
	Planning Commission, Council & Community Workshop to obtain input and direction for proposed set of regulations Prepare final draft of regulations, including policies and ordinance, applicable to properties adjacent to streams; and finalize CEQA document	10/1/06	10/30/06	Golden, Molloy Previsich, Ashcraft
	Prepare modifications to draft regulations and CEQA	11/1/06	11/15/06	Golden, Molloy Previsich, Ashcraft
	CEQA public review period	11/20/06	12/20/06	Golden, Molloy Previsich, Ashcraft

COMMUNITY DEVELOPMENT DEPARTMENT – PLANNING COMMISSION & PLANNING DIVISION				
Project	Milestones	Start Date	Completion Date	Staff Assigned to Project
Regulations for Land Use Near Streams <i>continued</i>	Planning Commission public hearing.	1/9/07	1/23/07	Golden, Molloy Previsich, Ashcraft
	City Council public hearing and adoption of regulations.	2/7/07	2/21/07	Golden, Molloy Previsich, Ashcraft
Geographic Information System Program Enhancement and Counter Computer	Continue work to clean up base map and coordinate city limit boundary; integrate county assessors and other data; put GIS program on all planners' computers and train; put computer at counter for public access to zoning etc info	FY 05/06	6/30/07	Golden
Analyze Coyote Valley Specific Plan and EIR to determine need to amend General Plan circulation policies, greenbelt policies, and other possible amendments	Attend TAC and Task Force meetings and monitor and coordinate with San Jose and others as needed	7/1/06	6/30/07	Project Planner, Rowe, Molloy Previsich
	Review and comment on Draft Specific Plan and EIR	8/15/06	1/15/07	Project Planner, Rowe, Molloy Previsich
	Analyze needs for possible changes to Morgan Hill GP	8/15/06	6/30/07	Project Planner, Rowe, Molloy Previsich
Complete update of the Housing Element to the General Plan	Complete final revisions to proposed Housing Element	2001	6/21/06	Project Planner
	Planning Commission Public Hearing(s)	6/27/06	7/11/06	Project Planner
	City Council Public Hearing(s) to Adopt Element	7/19/06	7/26/06	Project Planner
	HCD formal review and Certification	7/31/06	10/10/06	Project Planner
	Possible final changes and City Council hearing to adopt HCD-certifiable Element)	10/25/06	11/01/06	Project Planner

COMMUNITY DEVELOPMENT DEPARTMENT – PLANNING COMMISSION & PLANNING DIVISION				
Project	Milestones	Start Date	Completion Date	Staff Assigned to Project
Workshop on General Plan Implementation Status and progress toward meeting 2020 infrastructure needs	Prepare information regarding status of implementation of General Plan goals, objectives, and implementation items; especially progress toward meeting parks and infrastructure needs to support projected 2020 population/development.	3/01/07	4/01/07	Rowe, Balagso
	Conduct Planning Commission workshop prior to CIP review.	4/10/07	4/24/07	Rowe, Balagso

FINANCE				
Project	Milestones	Start Date	Completion Date	Staff Assigned to Project
GASB Statement 45 regarding Other Post Employment Benefits (retiree health benefits)	Determine if early implementation (prior to preparation of the 2008/09 City comprehensive annual financial report in 2009/10) of GASB 45 would be cost effective.	1/1/06	1/31/07	Reza, Dilles
	Determine when to recommend hiring an actuary to calculate City liability related to retiree health benefits.	2/1/07	2/28/07	Reza, Dilles
	Discuss plan with Financial Policy Committee.	3/1/07	3/31/07	Reza, Dilles
Review and research new processes for cash deposits and billings from vendors	Determine feasibility of: <ol style="list-style-type: none"> 1) Alternatives to current process for collection and deposit of checks received in mail. 2) Creating an electronic interface that would allow credit card billings sent to the City for City purchases to automatically interface with City's accounting system 3) Preparing electronic presentment of City check deposits to City's bank instead of manual preparation of deposits. 4) Positive pay service to insure against fraud. 	1/1/07	2/28/07	Thai, Reza
	If feasible, produce a recommended plan and time frame for implementing above system changes.	3/1/07	6/30/07	Thai, Reza

FINANCE				
Project	Milestones	Start Date	Completion Date	Staff Assigned to Project
Wastewater usage rates & wastewater connection fees	Prepare a request for proposals (RFP) for a consultant study	7/1/06	7/31/06	Thai, Public Works staff
	Legal review of RFP	8/1/06	8/31/06	Thai, Public Works staff
	Distribute RFP & receive proposals	9/1/06	9/30/06	Thai, Public Works staff
	Review proposals & interview firms	10/1/06	10/31/06	Thai, Public Works staff
	Recommend firm to City Council	11/1/06	11/15/06	Thai, Public Works staff
	Work with consultant to produce report that includes recommended rates & fees	11/16/06	1/23/07	Thai, Public Works staff
	Bring recommended rates to Financial Policy Committee for review & recommendations	1/24/07	2/28/07	Thai, Public Works staff
	Bring recommended rates & fees to City Council for discussion and adoption	3/1/07	3/21/07	Thai, Public Works staff
	Implement new rates	7/1/07	7/1/07	Thai, Public Works staff
Wastewater bond issue	Work with bond counsel and financial advisor to draft up bond documents and determine plan to issue bonds for \$5.3 million in current project needs and \$15.7 million in future project needs	11/16/06	3/22/07	Dilles, Public Works staff
	Bring bond documents to City Council for approval	4/4/07	4/4/07	Dilles, Public Works staff
	Issue bonds in competitive sale	4/5/07	6/15/07	Dilles, Public Works staff

FINANCE				
Project	Milestones	Start Date	Completion Date	Staff Assigned to Project
Library debt financing	Work with bond counsel and financial advisor to draft up financing documents for \$3.6 million issue	6/1/06	8/15/06	Dilles
	Bring financing documents to City Council for approval	8/16/06	8/23/06	Dilles
	Issue lease revenue bonds in competitive sale	10/1/06	10/15/06	Dilles
Building Maintenance building replacement accounting	Develop a comprehensive schedule for replacing major building components so that each component may be systematically replaced with the necessary funding at the appropriate replacement time.	1/1/07	3/15/07	Reza, Reroma
Centennial Recreation Center (CRC) cash handling and purchasing procedures	Meet with YMCA staff to determine cash handling and purchasing needs for (CRC)	5/15/06	6/30/06	Reza, Jones, Reroma Recreation & Community Services staff
	Develop procedures for handling cash and purchasing	7/1/06	8/31/06	Reza, Jones, Reroma Recreation & Community Services staff
	Implement cash handling & purchasing procedures	9/1/06	11/1/06	Reza, Jones, Reroma Recreation & Community Services staff

HUMAN RESOURCES				
Project	Milestones	Start Date	Completion Date	Staff Assigned to Project
Review and update the City's classification specifications to accurately reflect current duties, responsibilities and requirements	Gather materials and determine strategy for groups of classifications	07/01/06	07/15/06	Fisher, Evans, Temp.
	Conduct initial HR review and conduct survey of other jurisdictions	07/15/06	08/15/06	Evans, Temp., Mumford
	Complete working drafts, and distribute as appropriate for internal comments	08/15/06	12/15/07	Temp., Fisher
	Legal review as necessary	12/15/07	02/15/07	Kern/outside counsel
	Edit as appropriate and produce draft class specs	02/15/07	03/01/07	Temp., Evans, Fisher
	Meet and confer with bargaining units, managers and supervisors as necessary	03/01/07	04/30/07	Fisher, Evans
	Produce new class specs	05/01/07	05/15/07	Temp, Fisher
	Make available on website, internal common network & Bay Area Employee Relations Service	06/01/07	06/15/07	Temp., ISP personnel
Conduct a comprehensive survey of positions listed in the Management Resolution	Conduct initial HR review and Conduct survey of other jurisdictions	07/15/06	08/10/06	Fisher, Evans, Temp
	Complete working drafts and distribute as appropriate for internal comments	08/11/06	10/01/06	Temp., Fisher
	Legal review as necessary	11/01/06	12/01/06	Kern/outside counsel

HUMAN RESOURCES				
Project	Milestones	Start Date	Completion Date	Staff Assigned to Project
Conduct a comprehensive survey of positions listed in the Management Resolution <i>continued</i>	Edit as appropriate and produce draft class specs as needed	12/01/06	12/15/06	Fisher, Temp
	Amend Management Resolution as necessary	12/15/06	01/15/07	Fisher, City Council
	Make available on website, internal common network & Bay Area Employee Relations Service	01/15/07	02/01/07	Temp.
Develop and maintain current copies of safety (IIPP and Blood Borne Pathogens, etc.) and HR Administrative Policies on the common network drive for easy access by employees	Review and update IIPP to be approved by City Manager.	06/01/06	08/15/06	Temp., City Safety Committee, Tewes
	Place current safety policies and recently updated HR Admin. policies in a new folder on the common network drive, notify all employees of new resource.	08/15/06	09/01/06	Fisher, Torrez, Temp.
	Update remaining HR Admin policies and place on common network drive as approved by City Manager.	08/15/06	06/15/07	Fisher, Temp., Tewes
Revise Format & Date for 2006 Benefit Statements	Gather Employee Feedback from 2005 Benefits Statements	5/1/06	7/31/06	Temp, Fisher
	Develop new format and test input of year-to-date information	10/01/06	12/31/06	Temp
	Produce and distribute new 2006 Benefits Statements to all employees	2/1/07	3/1/07	Temp, Fisher

POLICE				
Project	Milestones	Start Date	Completion Date	Staff Assigned to Project
Complete general orders implementation plan	Complete draft project	7/5/06	9/29/06	Sampson
	Final project	10/4/06	1/31/07	Police sergeants
	Reissue-training	2/5/07	3/30/07	Police sergeants
Conduct a study and prepare a feasibility report on a franchise towing program	Conduct study and develop report on franchise towing program	9/13/06	1/17/07	Sampson
Review, revise and update the Police Department portion of the City website	Form committee	7/5/06	7/19/06	Yinger, Brookman, Macknight
	Review and update current site	8/31/06	3/15/07	Yinger, Brookman, Macknight
Develop and publish a Dispatch procedure manual	Draft for chief's review	7/3/06	10/31/06	Yinger
	Chief's review and revisions	11/1/06	12/29/06	Graham
	Distribute final	2/16/07	2/16/07	PSD staff
Implement a website-based online reporting system for minor crimes	Obtain and install software	9/13/06	10/25/06	Yinger
	In-house training	11/2/06	11/30/06	Macknight
	Public education	1/15/07	6/4/07	Patrol officers

POLICE				
Project	Milestones	Start Date	Completion Date	Staff Assigned to Project
Implement Automated Fingerprint System for applicants	Install Applicant Software	7/5/06	7/14/06	Cumming
	Train Staff	7/17/06	7/21/06	Yinger
	Announce to Public	7/25/06	7/25/06	
Continue the Mobile Communication Terminals Upgrade project	Purchase Equipment/Vehicles	7/10/06	12/29/06	Sampson
	Install in newly purchased vehicles	1/8/07	4/13/07	Yinger, Swing, Neumayer

PUBLIC WORKS				
Project	Milestones	Start Date	Completion Date	Staff Assigned to Project
Determine cost effectiveness of water meter testing	Evaluate cost of in-house vs. contract meter testing	2/1/06	7/30/06	Iglesias
	Prepare draft report	7/30/06	9/15/06	Iglesias
	Present final report	9/16/06	10/1/06	Iglesias
Cable Franchise Renewal	Address Cable Franchise Renewal As Appropriate	7/1/06	6/30/07	Eulo, Kern
Community Telecommunications Policy	Develop Draft Community Telecommunications Policy	4/1/06	8/31/06	Eulo, Kern
	Present Draft Policy to Utilities and Environment Committee	9/1/06	9/30/06	
	Present Policy to Council	10/1/06	11/15/06	
Retrofit At Resale Ordinance	Research Community Needs and Sample Retrofit Ordinance from Other Cities	5/1/06	9/30/06	Eulo
	Present Ordinance Concepts to Utilities and Environment Committee	10/1/06	10/31/06	
	Proceed With Ordinance Development if Recommended	11/1/06	6/30/07	
Water Budget-Based Landscaping Rates	Present Rate Concepts to Utilities and Environment Committee	11/1/06	11/30/06	Eulo
	Proceed With Rate Development if Recommended	12/1/06	6/30/07	

PUBLIC WORKS				
Project	Milestones	Start Date	Completion Date	Staff Assigned to Project
Root Treatment Program for Sewer System in Jackson Oaks & Holiday Lakes Areas	Complete Phase II – Follow-up Inspections and Re-treatment if necessary	5/01/06	6/30/06	Struve
Construction of a Permanent Skate Park	Design	4/28/06	6/01/06	Struve
	Construction	7/28/06	9/05/06	
Community Park Improvements, Phase 2	Design	1/01/06	7/28/06	Struve
	Construction	9/01/06	4/30/07	
Emergency Preparedness Training Per SEMS for PW Operations	Training, Ph I	8/01/06	12/31/06	Struve
	Training, Ph II	1/01/07	6/30/07	
Complete construction of Depot Street Reconstruction Grant project	Construction 50% Complete	8/1/06	11/30/06	Behzad, Cho
	Construction Complete	12/1/06	2/15/07	
Complete Tennant Avenue Widening project	Construction 50% Complete	4/25/06	7/14/06	Gittleson
	Construction Complete	7/15/06	8/31/06	
Complete W. Little Llagas Creek Wildlife Trail	Construction 50% Complete	6/26/06	8/11/06	Gittleson
	Construction Complete	12/12/06	9/22/06	
Complete Civic Center Master Plan	Award Consultant Contract	7/24/06	9/6/06	Bjarke, Dumas
Complete Civic Center	Complete Concept	9/6/06	11/17/06	

PUBLIC WORKS				
Project	Milestones	Start Date	Completion Date	Staff Assigned to Project
Master Plan <i>continued</i>	Complete Master Plan	11/18/06	2/28/07	
Complete construction of Library	Complete Construction	4/24/06	6/15/07	Ritter
Submit Year 1 Progress Report on City Storm Water Management Plan	Prepare Draft Report for Department Review	7/17/06	8/11/06	Ha
	Complete Report Submitted to Regional Water Quality Control Board	11/11/06	9/8/06	Ha
Measure C Developer Commitments for Public Improvements	Create a list of Commitments made by Developers to construct public improvements as a part of the Measure C process. The list shall be an organized memorandum of commitments made by Developers for public improvements beyond their normal off-site requirements. The list to be available for access by staff.	5/12/06	12/20/06	Creer

RECREATION AND COMMUNITY SERVICES – ADMINISTRATION				
Project	Milestones	Start Date	Completion Date	Staff Assigned to Project
Implement partnership model for the Centennial Recreation Center with the YMCA	Develop programs and activities in CRC	7/1/06	On-going	Rymer, Papp, CRC Supervisor & Staff
	Implement programs and activities	10/15/06	On-going	Rymer, Papp, CRC Supervisor & Staff
	Prepare for Grand Opening Celebration	7/1/06	10/28/06	Rymer, Papp, CRC Supervisor & Staff
	Monitor & evaluate partnership model	10/15/06	6/30/07	Rymer, Papp, CRC Supervisor & Staff
In cooperation with the Library Culture and Arts Commission (LCAC), develop policies and procedures for public art	Plan and hold workshop to review policies and procedures	7/8/06	7/8/06	Rymer, Balagso LCAC
	Adopt policies and procedures	8/14/06	8/14/06	Rymer, Balagso LCAC
	Implement policies and procedures	8/14/06	On-going	Rymer, Balagso LCAC
	Modify policies and procedures as required	On-going	On-going	Rymer, Balagso LCAC
Define the role of “community services”	Develop definition of “Community Services”	7/1/06	9/20/06	RCSD staff
	Prepare strategy to incorporate Community Services into Department scope of work	9/21/06	5/31/06	RCSD staff
	Implement Community Service component	5/31/06	Ongoing	RCSD staff

RECREATION AND COMMUNITY SERVICES – AQUATICS CENTER				
Project	Milestones	Start Date	Completion Date	Staff Assigned to Project
Develop cash handling policy to decrease cash handling risk and increase staff safety	Hire armored car service to make daily pick-ups Monday through Friday	6/19/06	9/4/06	Papp
Explore development of a plan for financial assistance to build grand stands	Explore Aquatics Center work plan and meet with Pacific Swimming to begin development of plan	8/1/06	12/30/06	Papp

RECREATION AND COMMUNITY SERVICES – CENTENNIAL RECREATION CENTER				
Project	Milestones	Start Date	Completion Date	Staff Assigned to Project
Coordinate resources and support from Recreation Department for CRC facility	Evaluate Department organizational structure to ensure it allows for the effective and efficient delivery of services, while utilizing existing employees' strengths and talents.	7/1/06	10/1/06	Rymer, Lugger, Papp, CRC Supervisor
	Implement support plan	10/1/06	On-going	Rymer, Lugger, Papp, CRC Supervisor

RECREATION AND COMMUNITY SERVICES – COMMUNITY AND CULTURAL CENTER				
Project	Milestones	Start Date	Completion Date	Staff Assigned to Project
Evaluate low usage times/days at the CCC and propose a low usage rate for rentals during these slow times.	Analyze reservations over the last 12 months determine if there are any times that appear to be slow during the M-F day time hours or evening hours.	7/1/06	7/31/06	Lazzarino, Yowell, Lugger
	If so, propose a below non-prime time rate or low usage time rate to the City Council. Determine perspective renters for these times and market the new rate to them through mailings and various advertising.	7/15/06	7/31/06	Lazzarino, Yowell, Lugger

RECREATION AND COMMUNITY SERVICES – COMMUNITY AND CULTURAL CENTER				
Project	Milestones	Start Date	Completion Date	Staff Assigned to Project
Develop a marketing plan to target the business community for facility rentals	Evaluate who are the businesses that currently use the CCC for their business meetings.	7/1/06	10/31/06	Lazzarino, Lengsfeld, Dieter
	Determine what type of businesses may need additional meeting space and send out letters of invitation to try one of our meetings rooms.	8/15/06	10/31/06	Lazzarino, Lengsfeld

PROPOSED 2006 – 2007 WORKPLANS FOR COUNCIL POLICY COMMITTEES

Community and Economic Development Committee Workplan

The Community and Economic Development Committee anticipates addressing the following policy issues during FY 2006/07:

1. Take actions necessary to meet the 2006 goals established by the City Council for the C&ED Committee
2. Review the City's economic development strategy and make recommendations to the Council regarding any revisions.

Financial Policy Committee Workplan

The Financial Policy Committee anticipates addressing the following policy issues during FY 2006/07:

1. *Community Conversations:* Take additional steps to foster Community Conversations pending direction from City Council. Plan for further communications with the public on the topic of the City's financial status.
2. *Investment Advisory Services:* Work with staff concerning the preparation of a request for proposals for investment advisory services with the objective of increasing investment earnings of City funds
3. *Reserve Policy:* Develop recommendations concerning the use of General fund reserves that might exceed the targeted 25% level.
4. *Redevelopment Agency Financial Policy Issues:* Make recommendations concerning RDA fiscal policy issues once the RDA Plan is amended.
5. *Review of Productivity:* Review with staff productivity actions and opportunities.
6. *Pension Obligation Bonds:* Review opportunities and risks associated with issuance of pension obligation bonds which could pay off existing unfunded pension obligations.

Public Safety and Community Services Committee Workplan

Per Committee discussion, there will be no workplan for FY 2006/07.

Regional Transportation and Planning Committee Workplan (to be confirmed by Committee on June 16)

The Regional Planning & Transportation Committee anticipates addressing policy matters related to the following work plan efforts during FY 2006/07:

1. Coyote Valley Specific Plan planning process and EIR
2. South County Circulation Study transportation planning process
3. VTA planning efforts and committees: Transit CIP, CalTrain, PAC, VTA Board, CMP
4. Holiday Lakes Estates Sewer District and Annexation
5. Regional Land Use Matters affecting Morgan Hill
6. Greenbelt/Open Space policy and implementation matters

Utilities and Environment Committee Workplan

The Utilities and Environment Committee anticipates addressing the following policy issues during FY 2006/07:

1. Community Choice Aggregation
2. Cable Television Franchise Renewal
3. City Telecommunications Policy
4. Water Conservation Incentives and Mandates
5. Oversight of HCP Process
6. Review Wastewater Rate Study
7. Sustainable City Practices
8. Landscaping Design Policies for City Facilities

PROPOSED FY 2006/07 WORKPLANS FOR CITY COUNCIL-APPOINTED BOARDS, COMMISSIONS AND COMMITTEES

Architectural and Site Review Board

No workplan has been developed.

Bicycle and Trails Advisory Committee

	SUBJECT	SCHEDULE	COMPLETION DATE	OUTCOME	RESOURCES
1	Update Bicycle Resources Directory every five years	On-going – Every Five years	2008	To reveal routes and shortcuts for commuter and recreational cyclists	City Staff, Committee Members
2	Orientation Manual for New Members	Begin in July 2005	December 2006	To orient new members to proper public meeting procedure and this committee's purpose	City Staff
3	Training in rules of order for conducting meetings	To be determined	To be determined	To orient members to proper public meeting procedures	City Attorney
4	Bicycle Friendly Community Application	In progress	December 2006	To be recognized as a bicycle friendly city which will enhance grant application consideration	City Staff, Committee members
5	Track Bikeways Master Plan Accomplishments	Every Quarter	January, April, July and October	To monitor the implementation of Bikeways Master Plan objectives	City Staff
6	Review Trails Master Plan and Recommend to PRC	Begin in August 2005	December 2006	Adoption by City Council of Trails Master Plan	City Staff, Consultant, Committee Members

Corporation Yard Commission

No workplan has been developed.

Library, Culture and Arts Commission

The Library, Culture and Arts Commission is to develop their workplan on their meeting of June 12, 2006, and present it to the Council at a later date.

Mobile Home Rent Commission

1. Continue to plan, coordinate, and sponsor a workshop regarding affordable housing issues facing Morgan Hill.

Parks and Recreation Commission

	PROJECT	SCHEDULE	OUTCOME	RESOURCES
1	Outdoor Sports Complex	2 meetings	Review operating model	RCS Director
2	Bicycle Trails Advisory Committee (BTAC)	1 meeting	Review Master Plan and trail Review 06-07 Work Plan	BTAC members PRC members
3	Youth Advisory Committee (YAC)	1 meeting	Review 06-07 Work Plan	
4	Scholarships for Low-Income Participants	1 meeting	Determine need and corresponding options for funding	PRC members
5	Master Plan Review		List accomplishments and plan for implementation of items not completed	PRC members

	PROJECT	SCHEDULE	OUTCOME	RESOURCES
6	New Revenue Considerations		Ball field user rates Tennis courts user rates Special event processing fee	PW Deputy Director RCS Director
7	School Board Liaison	TBD	Appointment of School Board Trustee as liaison to PRC	PRC, CC & MHUSD
8	School-City Field Resources	2 meetings	Resource review	PRC & youth groups

Planning Commission

1. The Planning Commission's workplan is incorporated in the Community Development Department – Planning Division workplan.

Senior Advisory Commission

The Senior Advisory Commission was appointed on May 24, 2006, and is scheduled to hold its first meeting June 6, 2006. The Commission's workplan may be presented at the June 7, 2006 Council meeting or at a later date.

Youth Advisory Committee

The Youth Advisory Committee will develop its workplan in September 2006.



CITY COUNCIL STAFF REPORT

MEETING DATE: June 7, 2006

ESTABLISH SISTER CITY RELATIONSHIP WITH MIZUHO, JAPAN

RECOMMENDED ACTIONS:

Adopt a resolution establishing a formal Sister City relationship with the City of Mizuho, Japan,

EXECUTIVE SUMMARY:

In August, 2001 the City Council adopted a resolution making San Casciano in Val di Pesa, Italy Morgan Hill's first international Sister City. In March, 2003 the City Council approved San Martin de Hidalgo, Mexico as the City's second Sister City. Headford, Ireland was approved as the third Sister City on September 7, 2005.

One of the Morgan Hill Sister City Association's original goals was to establish a Sister City relationship with an appropriate city in Japan. Mizuho is a suburb of Tokyo, of about the same size and economic make-up as Morgan Hill. Like Morgan Hill it is becoming a high-tech center with some remaining agricultural roots. Mizuho has indicated that they are eager to pursue a relationship with Morgan Hill. In the attached letter, our Sister City Association is requesting that City Council establish a formal Sister City relationship with Mizuho.

FISCAL IMPACT: Establishing another formal relationship will involve minor expenses for hosting delegations and other related expenses. In FY06-07, the BAHS Economic Development budget (317) allocates \$3,000 for City involvement with Sister City activities.

Attachment

Agenda Item #27

Prepared By:

**Special Assistant to the
City Manager**

Submitted By:

City Manager

RESOLUTION NO.

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
MORGAN HILL TO ESTABLISH A FORMAL SISTER CITY
RELATIONSHIP WITH THE CITY OF MIZUHO, JAPAN**

WHEREAS, the City of Morgan Hill is a member in good standing with Sister Cities International; and,

WHEREAS, the City of Morgan Hill has been seeking a city in Japan with which to establish a friendship; and,

WHEREAS, the City of Mizuho and the City of Morgan Hill have discovered many mutual aspects of heritage, agriculture, education, business and governance; and,

WHEREAS, the Mayor and City Council of Mizuho have expressed a desire to establish a Sister City relationship with Morgan Hill; and,

WHEREAS, the Morgan Hill Sister City Association has requested that the City Council establish a Sister City relationship with Mizuho, Japan.

NOW THEREFORE, the City Council of the City of Morgan Hill does hereby resolve, on the basis of the facts set forth in the agenda report presented to it and on the testimony received at the meeting at which this matter was considered, as follows:

SECTION 1. The City Council hereby establishes a formal Sister City relationship with the City of Mizuho, Japan upon receipt of a reciprocal resolution from that city.

SECTION 2. The City Council hereby authorizes the City Manager to do everything necessary and appropriate to establish the relationship.

PASSED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the 7th Day of June, 2006 by the following vote.

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSTAIN:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:

🦉 CERTIFICATION 🦉

I, IRMA TORREZ, CITY CLERK OF THE CITY OF MORGAN HILL, CALIFORNIA, do hereby certify that the foregoing is a true and correct copy of Resolution No. , adopted by the City Council at a Regular Meeting held on June 7, 2006.

WITNESS MY HAND AND THE SEAL OF THE CITY OF MORGAN HILL.

DATE: _____

IRMA TORREZ, City Clerk



CITY COUNCIL STAFF REPORT

MEETING DATE: *June 7, 2006*

THIRD STREET PROMENADE

RECOMMENDED ACTION(S):

1) Approve the conceptual design for the Third Street Promenade (Promenade); and 2) Authorize staff to submit a grant application for up to \$1,900,000 in Metropolitan Transportation Commission (MTC) "Transportation for Livable Communities 2006 Capital Program" (TLC) grants with a "local match" of \$325,000.

EXECUTIVE SUMMARY: The City's current Downtown Plan calls for a beautified pedestrian-oriented Third Street designed as a Downtown focal point for strolling, dining, shopping, and special events. The street will also serve as the key transit link from the Morgan Hill/ VTA Cal Train Station to the Downtown. Staff has retained Gates & Associates to develop a conceptual design for the Promenade to capture this vision. As part of the design process, Gates held two meetings to solicit design feedback from the property and business owners, and other individuals and organizations. Feedback from the stakeholders has been incorporated in the project design (see attached concept plans).

In addition to a newly reconstructed street, the proposed design includes new curb, gutter, colored decorative sidewalk and crosswalks, landscaping, street furniture, bike racks, banner hardware, decorative street lights, bollards, and public art. Parallel parking and bike lanes or "Sharrows" are proposed on both sides of the street. The sidewalk on the south side has been designed wider than the north side to create room for outdoor dining and the desired pedestrian atmosphere. The south side was selected to be the Promenade because it: 1) lines up with Morgan Hill Station, 2) has fewer "curb-cuts", and 3) is adjacent to the proposed Glenrock mixed-use project, which is envisioned to contain retail space for stores, restaurants and cafes with outdoor dining. While the details of the project are still being refined, staff estimates the total cost for the Promenade will be about \$2,225,000. In addition, Third Street will also need utilities under-grounded, and new water, sewer, and storm drains. The utility improvements will cost about \$835,000, which makes the total estimated project cost about \$3,060,000.

With Council authorization, staff will apply for TLC funding for the project. This year \$14 million are available for the Bay Area region. Applications are due on June 23, 2006. The TLC program requires, at a minimum, an 11.5% project local match; the costs of utility improvements are not eligible for grant funding. With \$2,225,000 in eligible project costs, the minimum match amount would be about \$256,000 and the grant request would be about \$1,969,000; rounded off to \$1,900,000, the match would be \$325,000. In order to have a more competitive submittal, the Council may want to consider increasing the local match.

FISCAL IMPACT: As part of the TLC application, the City/Agency will need to initially commit about \$325,000 in non-contingent funds for the Promenade, but can later substitute developer funds. The approximately \$834,000 for the utility improvements will need to come from City impact fees, utility underground fees and/or Agency funds. Agency funding for the utility improvements is contingent on the approval of the Redevelopment Plan Amendment. The Glenrock/Sunsweet project has committed about \$250,000 for the Promenade through the Measure C process. If all goes as planned, the Agency would provide \$75,000 for the Promenade and the City and/or Agency the additional funding for the utility improvements.

Agenda Item #28

Prepared By:

BAHS Manager

Approved By:

BAHS Director

Submitted By:

City Manager



CITY COUNCIL/REDEVELOPMENT
AGENCY MEETING DATE: *June 7, 2006*

PROPERTY BASED IMPROVEMENT
DISTRICT (PBID)

Agenda Item # 29
Approved By:

BAHS Director

Submitted By:

Executive Director

RECOMMENDED ACTION(S): 1) Consider a petition from the Morgan Hill Downtown Association (MHDA) to initiate special assessment proceedings to form a PBID in downtown, 2) Direct the City Manager/Executive Director to sign the petition in favor of the assessment and adopt the resolution of intent to initiate the special assessment proceedings, and 3) Direct the City Manager/Executive Director to sign the ballot in favor of the assessment.

EXECUTIVE SUMMARY: Last year, the MHDA pursued a petition drive to form a PBID in downtown. However, the MHDA was unable to secure the prerequisite number of signatures needed to request the City to put the PBID to a vote of the property owners. Since then, the MHDA has met with concerned property owners and revised the management plan to address their concerns. The proposed Downtown Morgan Hill PBID is designed to benefit properties in the downtown area. The PBID will fund services and activities related to capital improvements, economic development and marketing, pedestrian security and safety, and public space and policy advocacy to the properties within the PBID district. There are two benefit zones: Premium Zone and Standard Zone. The assessments are based on lot square footage and building square footage. The duration of the PBID is five years and the total PBID budget for the first year is \$75,000 with provisions for annual increases up to 5% per year. For your reference attached are the MHDA request, management district plan, engineer's report, and City/Agency petitions. Last year, the PBID proposed an initial annual assessment budget of \$197,000 and had a larger area for the standard zone.

The MHDA has been working diligently over the past several months to complete the required petition phase. In order for the City Council to initiate the special assessment proceedings, it must first receive petitions signed by property owners in the proposed district who will pay more than 50% of the proposed assessments. The City/Agency assessments represent about 31.8% or \$23,862 of the total \$75,000 assessment. As of this staff report, MHDA has received petitions approving about 38.0% (\$28,487) of the total assessment. As a policy issue, staff requested that the MHDA obtain approval representing at least 50% of the remaining assessments not including the City/Agency assessment. Our intent was to show that a majority of the assessed property owners support the PBID. The City/Agency vote would merely "put the petition over the top." MHDA has obtained 55.7% of the remaining assessments (\$28,487 of \$51,137).

With the City/Agency's vote, the approved petitions would represent almost 70% of the total assessment. However, the City/Agency could determine that obtaining 50% of the remaining assessments is too low a percentage threshold and require a higher percentage from the MHDA. The Council's Community & Economic Development Committee (C&ED) is recommending that the "50% of the remaining assessments" policy is a reasonable threshold and that the Council schedule the public hearing to form a PBID.

The MHDA is proposing to augment the PBID budget with a request in matching funds from the Agency. However, the MHDA is not requesting funding at this time and plans to return to the Council in June with a formal request. The C&ED has requested that the MHDA proposal factor the passage of the Agency's Plan Amendment and the PBID into any financial request. Should the City/Agency wish to move ahead and authorize its petition approval to meet the 50% requirement, then the next step would be to adopt the resolution and set the public hearing for July 19, 2006 for the PBID vote.

FISCAL IMPACT: None at this time, but the final approval of the PBID would require the City/Agency to pay over \$23,000 in annual property assessments for five years.

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORGAN HILL DECLARING ITS INTENTION TO FORM THE DOWNTOWN MORGAN HILL BUSINESS IMPROVEMENT DISTRICT AND TO LEVY AND COLLECT ASSESSMENTS WITHIN SUCH DISTRICT PURSUANT TO THE PROPERTY AND BUSINESS IMPROVEMENT DISTRICT LAW OF 1994, PART 7 OF DIVISION 18 OF THE CALIFORNIA STREETS AND HIGHWAYS CODE, AND ARTICLE XIID OF THE CALIFORNIA CONSTITUTION AND APPOINTING A TIME AND PLACE FOR HEARING OBJECTIONS THERETO

RECITALS:

WHEREAS, the Property and Business Improvement District Law of 1994, Part 7 of Division 18 of the California Streets and Highways Code, commencing with Section 36600, (the "Law") authorizes cities to establish property and business improvement districts within business districts to promote the economic revitalization and physical maintenance of such business districts; and

WHEREAS, the Law authorizes cities to levy and collect assessments on real property within such districts for the purpose of providing services and activities that specially benefit real property within such districts; and

WHEREAS, Article XIID of the California Constitution and Section 53753 of the California Government Code impose certain procedural and substantive requirements relating to the levy of new or increased assessments; and

WHEREAS, a written petition meeting the requirements of Section 36621 of the Law (the "Petition") has been submitted to the City Clerk by property owners within the City's central business district requesting the Morgan Hill City Council (the "City Council") to initiate proceedings pursuant to the Law to establish a property and business improvement district to be named the "Downtown Morgan Hill Business Improvement District"; and

WHEREAS, such Petition was signed by property owners in the proposed district who will pay more than fifty percent (50%) of the assessments proposed to be levied as determined in accordance with Section 36621 of the Law; and

WHEREAS, prior to the circulation of the Petition, a management district plan was prepared in accordance with the requirements of Section 36622 of the Law and the Petition included a summary of the management district plan; and

WHEREAS, an engineer's report entitled "Downtown Morgan Hill Business Improvement District Final Engineer's Report" has been prepared and submitted to the City Clerk, containing all of the information required by Article XIIIID of the California Constitution;

NOW, THEREFORE, the City Council of the City of Morgan Hill does hereby find, determine, resolve and order as follows:

Section 1. Pursuant to Section 36621 of the Law, the City Council declares its intention to form a property and business improvement district to be designated the "Downtown Morgan Hill Business Improvement District" (the "District") and two benefit zones therein to be designated the "Premium Zone" and the "Standard Zone" and to levy and collect assessments against lots and parcels of real property within the District for five years, commencing with fiscal year 2006-07 (July 1, 2006 – June 30, 2007).

Section 2. The City Council hereby preliminarily approves the Management District Plan and the Engineer's Report, as filed.

Section 3. The City Clerk shall make the Management District Plan, the Engineer's Report and other documents related to the proposed District available for public inspection in the office of the City Clerk during normal business hours.

Section 4. NOTICE IS HEREBY GIVEN that the City Council shall conduct a public hearing on the establishment of the District, the establishment of the two benefit zones therein and the levy and collection of assessments against the lots and parcels of real property within the District Office of the City Clerk on **July 26, 2006 at 7:00 p.m.** or as soon thereafter as the matter may be heard, in the Morgan Hill Council Chambers, City Hall, 17555 Peak Avenue, Morgan Hill, California. At the public hearing, the City Council will consider all objections or protests, if any, to the proposed establishment of the District, the establishment of the two benefit zones therein and the proposed assessment. Any interested person may present written or oral testimony at the public hearing.

Section 5. The exterior boundaries of the proposed District include an approximately 15-block area around the Monterey Road commercial corridor bounded by Main Street to the north, Del Monte Avenue to the west, Dunne Avenue to the south, and Butterfield Boulevard to the east. The Premium Zone includes all parcels between Main Avenue, Del Monte Avenue, Dunne Avenue and Depot Street. The Standard Zone includes all other parcels outside of the Premium Zone, but inside the boundaries of the proposed District. A map of the proposed District and the two benefit zones therein is on file in the office of the City Clerk and available for public inspection.

Section 6. The proposed improvements and activities for the District include the following:

(i) capital improvements, such as street furniture, signage, tree lighting and enhanced landscaping, to improve and maintain the physical appearance of the public space areas of the proposed District;

(ii) economic development and marketing activities designed to convey a positive business image and attract new jobs and investment, including activities aimed at retaining and attracting new and vibrant businesses and creating a downtown identity in an effort to enhance the overall business environment in the core commercial area of downtown Morgan Hill; and

(iii) pedestrian security and safety activities to provide a safer environment in the proposed District; and

(iv) public space and policy advocacy activities to promote and advocate the goals and objectives of the downtown property owners.

Section 7. The total assessment proposed to be levied and collected for fiscal year 2006-07 is \$75,000. The assessments to be levied and collected for subsequent years, up to a total of four additional years, may be increased between zero and five percent per year.

Section 8. The City Clerk, or her designee, is hereby authorized and directed to mail notices of the public hearing and assessment ballots as provided in Section 53753 of the Government Code and Article XIID of the California Constitution.

Section 9. Reference is hereby made to the Management District Plan and the Engineer's Report for a full and detailed description of the proposed activities and improvements, the boundaries of the proposed District, the benefit zones therein, and the proposed assessments.

Section 10. If the District is established, assessments will be levied on real property within the District for five years, commencing with fiscal year 2006-07.

Section 11. No bonds will be issued on behalf of the proposed District.

Section 12. The City Council hereby approves the Procedures for the Completion, Return and Tabulation of Assessment Ballots presented to the City Council at this meeting and on file in the office of the City Clerk and available for public inspection.

PASSED, APPROVED AND ADOPTED by the City Council of Morgan Hill at a Regular Meeting held on the day of 2006, by the following vote:

AYES:

NOS:

ABSENT:

ABSTAIN:

ATTEST:

IRMA TORREZ, City Clerk

DENNIS KENNEDY, Mayor

EXHIBIT "A" PROCEDURES

CITY OF MORGAN HILL DOWNTOWN MORGAN HILL BUSINESS IMPROVEMENT DISTRICT

PROCEDURES FOR THE COMPLETION, RETURN, AND TABULATION OF ASSESSMENT BALLOTS

I. Completion of Assessment Ballots

- **Who may complete an assessment ballot**

An assessment ballot may be completed by the owner of the parcel to be assessed. As used in these Procedures, the term "owner" includes the owner's authorized representative. If the owner of the parcel is a partnership, joint tenancy, or tenancy in common, an assessment ballot may be completed by any of the general partners, joint tenants, or tenants in common. Except as set forth below, only one assessment ballot may be completed for each parcel.

- **Proportional assessment ballots**

If a parcel has multiple owners, any owner may request a proportional assessment ballot. If the ownership interest of the owner is not shown on the last equalized secured property tax assessment roll, such request must include evidence, satisfactory to the City, of the owner's proportional rights in the parcel. The City will provide the proportional assessment ballot to the owner at the address shown on the assessment roll. Any request for an assessment ballot to be mailed to another location must be made in writing and must include evidence, satisfactory to the City, of the identity of the person requesting the assessment ballot. Each proportional assessment ballot will be marked to show the date on which the ballot was provided, to identify it as a proportional ballot and to indicate the owner's proportional rights in the parcel. The City will keep a record of each proportional assessment ballot provided to an owner.

- **Duplicate ballots**

If an assessment ballot is lost, withdrawn, destroyed or never received, the City will mail or otherwise provide a duplicate ballot to the owner upon receipt of a request in writing delivered to

the City Clerk. The duplicate assessment ballot will be marked to show the date on which the assessment ballot was mailed or provided and to identify it as a duplicate assessment ballot or a duplicate proportional assessment ballot. The same procedure applies to duplicate assessment ballots or duplicate proportional assessment ballots which are lost, withdrawn, destroyed, or never received.

- **Marking and signing the assessment ballot**

To complete an assessment ballot, the owner of the parcel must (1) stamp or mark the appropriate box supporting or opposing the proposed assessment, and (2) sign, under penalty of perjury, the statement on the ballot that the person completing the assessment ballot is the owner of the parcel or the owner's authorized representative. Only one box may be stamped or marked on each ballot. Assessment ballots must be completed in ink.

- **Only assessment ballots provided by the City will be accepted**

The City will only accept assessment ballots mailed or otherwise provided to owners by the City.

II. Return of Ballots

- **Who may return assessment ballots**

An assessment ballot may be returned by the owner of the parcel or by anyone authorized by the owner to return the assessment ballot.

- **Where to return assessment ballots**

Assessment ballots may be mailed to the address indicated on the assessment ballot in the envelope provided by the City.

Ballots may also be delivered in person to the City Clerk at City Hall, 17555 Peak Avenue, Morgan Hill, California 95037 (prior to 4:30 p.m. on the date scheduled for the public hearing on the proposed assessment), or delivered to the City Clerk at the public hearing on the proposed assessment.

- **When to return ballots**

All returned ballots must be received by the City Clerk prior to the time the City Council closes the public input portion of the public hearing on the proposed assessment. The public input portion of the public hearing may be continued from time to time. The City Clerk will endorse on each assessment ballot the date of its receipt.

The City Clerk will pick up mailed assessment ballots at 4:30 p.m. on the date scheduled for the public hearing on the proposed assessment. To ensure that mailed assessment ballots are received by the City Clerk prior to the conclusion of the public input portion of the public hearing, mailed assessment ballots must be received by the City prior to that time. Mailed assessment ballots received after 4:30 p.m. on the date scheduled for the public hearing will only be counted if the assessment ballots are received by the City Clerk prior to the conclusion of the public input portion of the public hearing. The City makes no representation as to whether the public input portion of the public hearing will be concluded on the date scheduled for commencement of the public hearing or continued to a later date.

- **Withdrawal of assessment ballots**

After returning an assessment ballot to the City, the person who signed the ballot may withdraw the ballot by submitting a written statement to the City Clerk directing the City Clerk to withdraw the ballot. Such statement must be received by the City Clerk prior to the close of the public input portion of the public hearing on the proposed assessment. When assessment ballots are tabulated, the City Clerk will segregate withdrawn ballots from all other returned ballots. The City Clerk will retain all withdrawn ballots and will indicate on the face of such withdrawn ballots that they have been withdrawn.

If any ballot has been withdrawn, the person withdrawing the ballot may request a duplicate ballot.

- **Changes to assessment ballots**

In order to change the contents of an assessment ballot that has been submitted, the person who has signed that ballot may (1) request that such ballot be withdrawn, (2) request that a duplicate ballot be issued, and (3) return the duplicate ballot fully completed. Each of these steps must be completed according to the procedures set forth above.

III. Tabulation of Assessment Ballots

- **Which assessment ballots will be counted**

Only assessment ballots which are completed and returned in compliance with these procedures will be counted. Assessment ballots received by the City Clerk after the close of the public input portion of the public hearing on the proposed assessment will not be counted. Assessment ballots which are not signed by the owner will not be counted. Assessment ballots with no boxes marked, or with more than one box marked, will not be counted. Assessment ballots withdrawn in accordance with these procedures will not be counted.

The City will keep a record of each proportional or duplicate assessment ballot mailed or otherwise provided to an owner and will verify, prior to counting any duplicate ballot, that only one ballot has been returned for the parcel (or for the owner in the case of proportional ballots). If a non-duplicate ballot has been returned, the City will count the non-duplicate ballot and disregard all duplicate ballots. If only duplicate assessment ballots have been returned, the City will count the earliest provided duplicate ballot and disregard the later provided duplicate ballots. If an owner returns both a non-proportional ballot and a proportional ballot, the City will count the proportional ballot and disregard the non-proportional ballot.

- **When and where assessment ballots will be tabulated**

The tabulation of assessment ballots will be performed, in view of those present, at the public hearing following the close of the public input portion of the public hearing. The public hearing may be continued from time to time for the purpose of tabulating ballots. Ballots will not be unsealed until the tabulation begins.

- **How assessment ballots will be tabulated**

Assessment ballots may be counted by hand, by computer or by any other tabulating device. Assessment ballots will be tabulated by adding the ballots submitted in opposition to the assessment and adding the ballots submitted in favor of the assessment. Assessment ballots shall be weighted according to the proportional financial obligation of the affected property; provided, however, that proportional ballots shall be weighted in accordance with the respective ownership interests of each proportional ballot submitted. If one or more proportional ballots are returned for a parcel and a non-proportional ballot is returned for the parcel, the non-proportional ballot will either be disregarded (if the same owner has returned a proportional ballot) or treated as a proportional ballot (if the same owner has not returned a proportional ballot).

- **Who will tabulate assessment ballots**

Assessment ballots will be tabulated by the City Clerk or some other impartial person designated by the City Council who does not have a vested interest in the outcome of the proposed assessment. The City Clerk or other designated person may be assisted by any of the staff and consultants of the City.

- **Results of tabulation**

The results of the tabulation will be announced following the completion of the tabulation and entered in the minutes of the City Council meeting. If assessment ballots submitted in opposition to the proposed assessment exceed the assessment ballots submitted in favor of the proposed assessment (as tabulated above), the assessment will not be imposed.

Disclosure of Ballots

During and after the tabulation, the assessment ballots shall be treated as disclosable public records and be equally available for inspection by the proponents and opponents of the proposed assessment.

IV. Resolution of Disputes

In the event of a dispute regarding whether the signer of an assessment ballot is the owner of the parcel to which the ballot applies, the City will make such determination from the last equalized assessment roll and any evidence of ownership submitted to the City prior to the conclusion of the public hearing. The City will be under no duty to obtain or consider any other evidence as to ownership of property and its determination of ownership will be final and conclusive.

In the event of a dispute regarding whether the signer of an assessment ballot is an authorized representative of the owner of the parcel, the City may rely on the statement on the ballot signed under penalty of perjury that the person completing the ballot is the owner's authorized representative and any evidence submitted to the City prior to the conclusion of the public hearing. The City will be under no duty to obtain or consider any other evidence as to whether the signer of the ballot is an authorized representative of the owner and its determination will be final and conclusive.

V. Public Record

During and after tabulation, all ballots are public records.

VI. Further Information

For further information, contact Irma Torres, City Clerk at (408) 779-7259



***CITY COUNCIL/REDEVELOPMENT
AGENCY STAFF REPORT June 7, 2006***

**CITY COUNCIL AND REDEVELOPMENT AGENCY
SEPTEMBER 2006 MEETING SCHEDULE**

RECOMMENDED ACTION(S): City Council/Redevelopment Agency Board Direction Regarding the September 2006 Meeting Schedule

Agenda Item #30

Prepared By:

**Council Services &
Records Manager**

Submitted By:

City Manager

EXECUTIVE SUMMARY:

Staff has recently received the League of California Cities 2006 Annual Conference and Exposition Registration/Program Schedule. The Annual Conference will be held September 6-9, 2006 in San Diego, California. In reviewing the City Council/Redevelopment Agency's September 2006 schedule, staff noticed that these bodies are scheduled to hold a regular meet on September 6. This meeting date conflicts with the first day of the September 6 Annual Conference. Staff would like to know whether the City Council/Redevelopment Agency Board would like to cancel or reschedule the September 6 meeting. If canceled, the Council/Redevelopment Agency would meet only on September 20 and 27, 2006. As an alternative, the Council could schedule a special meeting for the second Wednesday in September (September 13). Mayor/Chairman Kennedy is suggesting the Council schedule a Special meeting on September 13.

Staff is in the processing of registering the Council for the Annual Conference; including hotel and air flights. Staff will hold off making air flight reservations until the Council/Redevelopment Agency indicates whether it will attend the Annual Conference on September 6 or the September 7 date.

FISCAL IMPACT: No budget adjustment required.

September

Sun

Mon

Tue

Wed

Thu

Fri

Sat

1

2

3

4

**HOLIDAY –
LABOR DAY**
5:00 YAC

5

2:00 Senior Advisory

6

**League of CA Cities
Annual Conference**
6:00 Closed Session
7:00 Council/RDA

7

**League of CA Cities
Annual Conference**
7:00 ARB

8

**League of CA Cities
Annual Conference**
10:00 Reg Plng/Trans

9

**League of CA Cities
Annual Conference**

10

11

7:15 Library

12

7:00 Planning

13

14

15

3:00 pm Comm/Econ
Development

16

**2- 5 p.m. “Century
of Leadership – An
Afternoon at
Fountain Oaks”**

17

18

19

7:00 PRC

20

5:00 Public Safety/
Community Services
6:00 Closed Session
7:00 Council/RDA

21

7:00 ARB

22

23

**Taste of MH
Unveiling Bronze
Statue @ Train
Station**

24

Taste of MH

25

5:45 Utilities/Envir

26

7:00 Planning

27

6:00 Financial Policy
7:00 Council/RDA

28

6:15 BTAC

29

30

2006